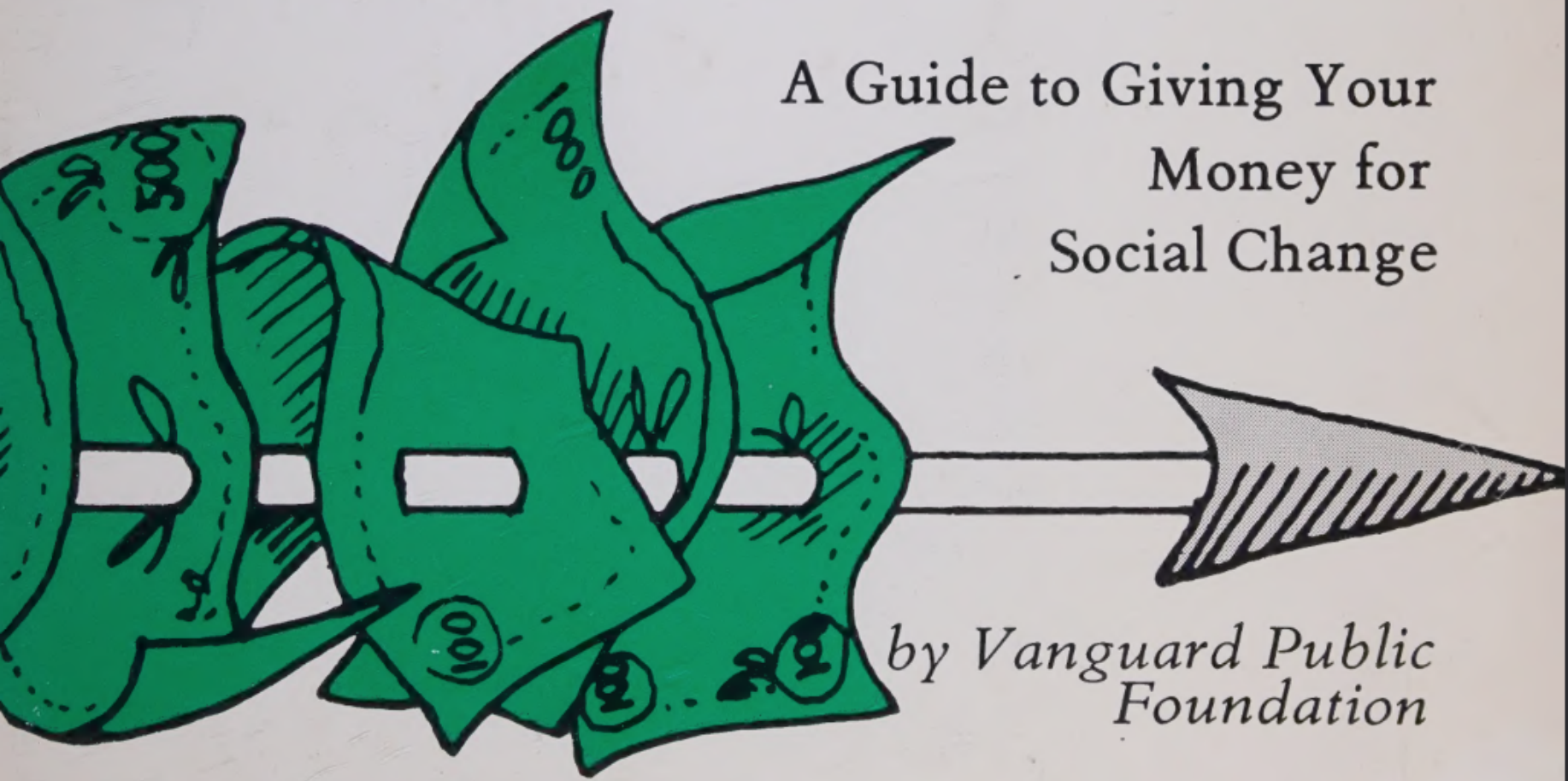
ROBIN HOOD WAS RIGHT

A Guide to Giving Your Money for Social Change



by Vanguard Public Foundation

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by
Vanguard Public Foundation

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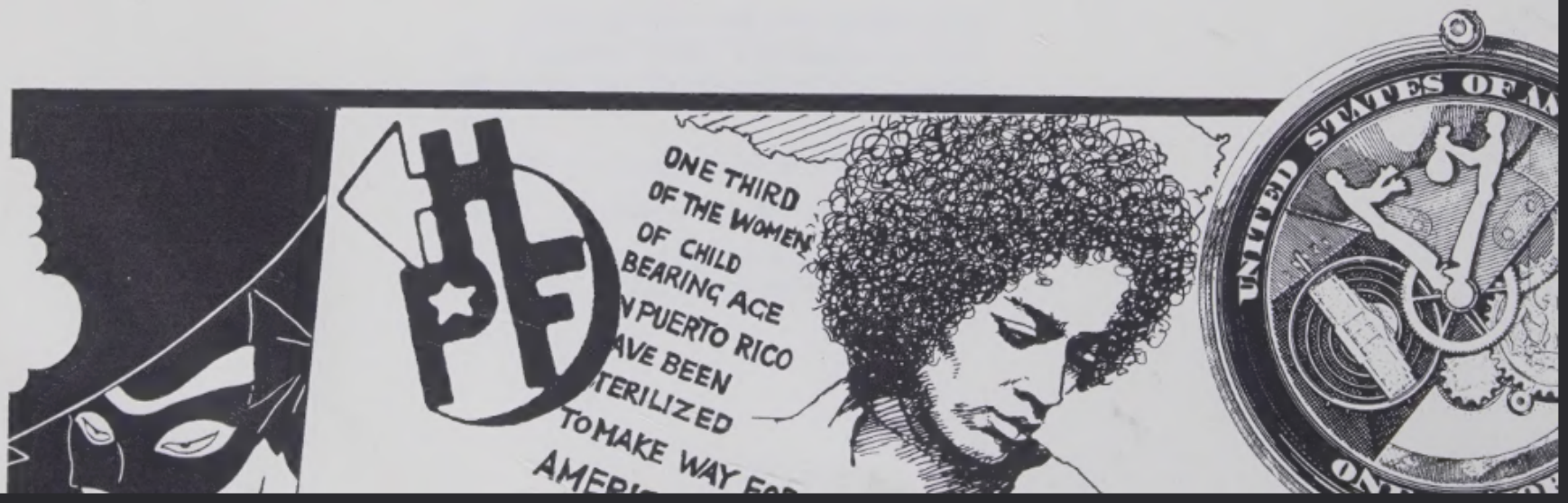

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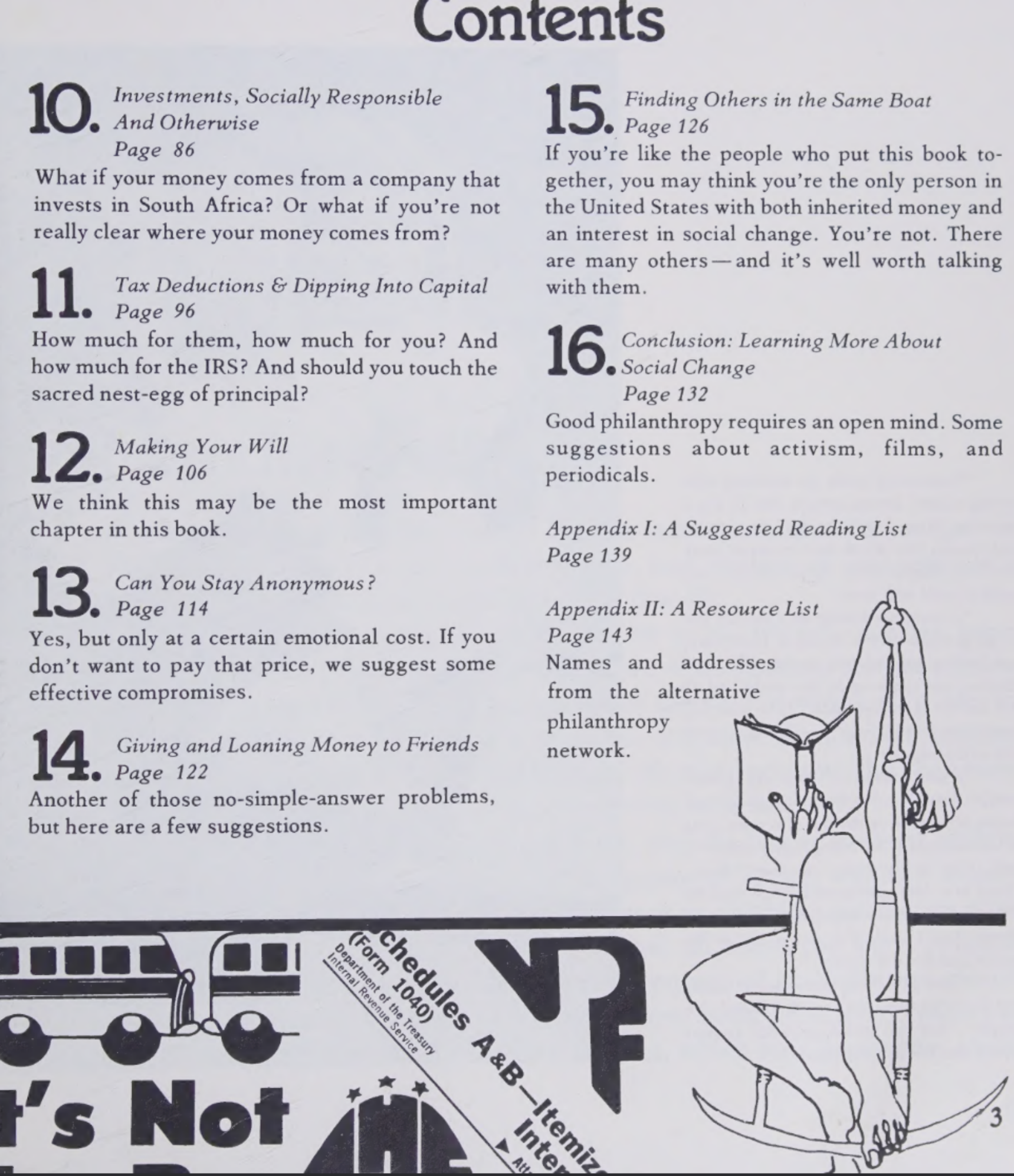


"I started off really not realizing what having money meant, except that it was a negative thing. In my family I had uncles and cousins who drank themselves to death because people used them rather than made friends with them.

"I remember sitting on a marble lion in my grandmother's house in New York, and looking around this marble hall, and thinking not everyone in the world had all this marble, and they didn't have such big rooms where you could see all this space and all this marble.

"When I went to visit my grandmother, I would ride around in a chauffeur-driven car and sit on the floor because I was so embarrassed. In college, my relatives said, 'Why do you wear a hair shirt?' Later, I lived in a slum apartment in New York for $51 a month. I was married to a medical intern, and I said, I'm not going to be special and live differently.

"I had this thing about social class, that if you're rich, you're bad. I hated rich people. I had this whole prejudice against myself that I had to overcome."

Introduction

In many American families, money is more taboo than sex. The subject is laden with embarrassment, guilt, secret pleasure, and the fear of other people's envy. At family gatherings, it is discussed rarely, if at all.

So some of us who have inherited money lie to our friends, and we hope new acquaintances won't find out. Yet we can, if we wish, learn to see our money as a useful tool, and put it to work to help produce the kind of world we'd like to live in. One of our major stumbling blocks is the awkward silence surrounding money, especially among young people who have inherited more wealth than they can use themselves. Breaking that silence is what this book is about.

Those of us who have sponsored this book, and the larger circle of philanthropic activists described in it, are an informal group of young, wealthy Americans who have been working over the past six years to combine our money with our ideals for a more equitable society. We do not all share the same political philosophy, though all of us believe that the root concern of philanthropy should be increased social justice. We work in different ways. Some of us are members of Vanguard, Haymarket, and Liberty Hill foundations, which fund grassroots social

change projects and are described in Chapters Three, Four, and Five; others have made wills which essentially abolish their family fortunes; still others work through family foundations or give money away directly to social change groups.

We all began giving away money after we faced the fact that our positions in society, as rich people, seemed to directly contradict our ideals for a fairer distribution of wealth and power. Many of us were college students in the late 1960's. We marched against the Vietnam war, helped tutor ghetto kids, learned something about poverty in the United States and abroad, and then wondered what it meant to have more money than you need in a world where most people don't have enough to eat.

One variation or another of this conflict has at some point paralyzed nearly all of us. Some of us dealt with it by trying to forget we had money. We hitchhiked through

Wide World Photos

On November 15, 1969, marchers protesting the Vietnam war filled Geary Street in San Francisco. The anti-war movement helped politicize many people, including those from wealthy families.

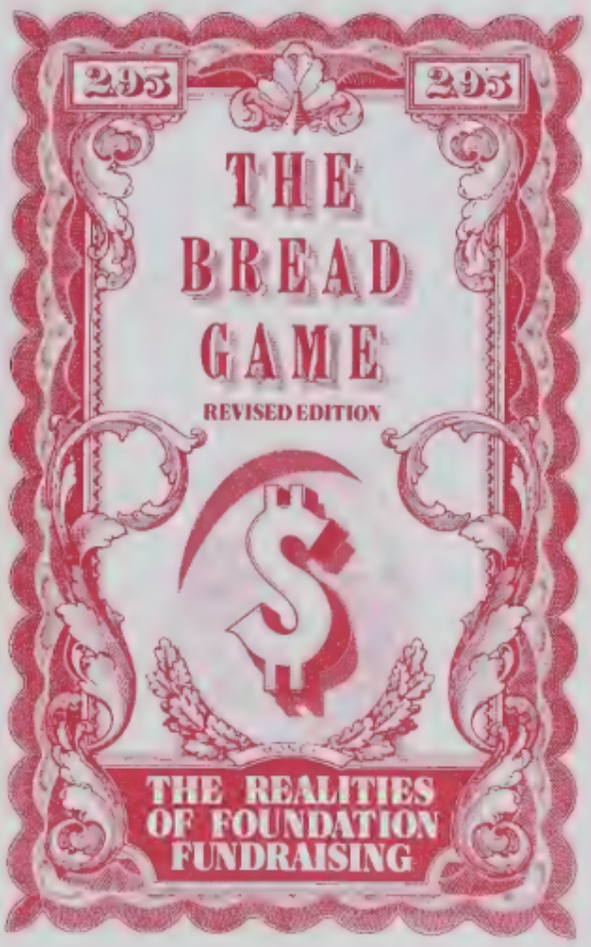
Europe and dressed in scruffy jeans. We lied to our friends about our money, lived without furniture, forbade ourselves stereo sets. One of us, in reaction to the news he'd inherited a fortune, became tremendously bargain-conscious, haggling with flea market vendors over a nickel. Another lived with her boyfriend for a year without telling him about her income, even applying for food stamps with him to maintain her cover. Like some hidden deformity, the conflict has threaded our lives with guilt, wariness, petty concealments, and a sense of wasted energy.

What seemed hardest of all for most of us was not having someone to talk to. Our families, who knew what it was like to have money, usually didn't share our politics. Friends who shared our political concerns usually had no money. Those of us who worked in political campaigns, the anti-war movement, ghetto organizing projects or the like were dismayed to imagine what fellow workers would think if they knew we had the power to fund the whole project (sometimes, anonymously, we were doing so). During the last decade, blacks have become beautiful, gays have come out, women have become liberated—but who could imagine publicly celebrating inherited wealth? Its very existence was proof of injustice. And once people knew we were rich, we felt, we would be indelibly different in the eyes of the rest of the world for the rest of our lives; we would never know whether someone was befriending us or our money.

For those of us who came together to form the foundations described in the following pages, the satisfaction went beyond that of finding ways in which to combine our inherited wealth with our interest in social change. We also discovered people with whom we could talk about the problems of doing so. And we found that our dilemmas were not so difficult after all. There are, after all, worse problems than growing up rich—and one of

The Bettman Archive

Unorthodox philanthropist—During the late 1800's harlot Evelyn Nesbitt married and became wealthy Evelyn Nesbitt Thaw. She gave substantial sums to social change activists during an era when philanthropy usually meant charity.



"The Bread Game—The Realities of Foundation Fundraising" is a guide to fundraising for social change organizations prepared by foundation staff members, tax lawyers, and accountants. Available for $2.95 from New Glide Publications, 330 Ellis Street, San Francisco 94102.

them is growing up poor. Thus, in this book we not only cover the mechanics of alternative philanthropy, but we also touch on the wide range of the personal problems of dealing with inherited wealth.

Facing up to having money and using it effectively does not, of course, automatically resolve the conflicts. As long as society rewards people so unevenly for their work, we personally will epitomize these injustices for many people; many will still regard us with a combination of resentment and envy. All of this gives us a personal stake in working for a more just society.

In working towards that goal, we have found traditional philanthropy, the philanthropy of the Red Cross and the Community Chest, to be woefully inadequate. It does not attack the underlying causes of America's vastly unequal distribution of wealth. Gifts to hospitals, fresh air camps, and social work agencies help a few individuals without rocking the boat. David Hunter, Executive Director of the Stern Fund, likens this kind of giving to "seeing a house burning and distributing asbestos suits to the inhabitants."

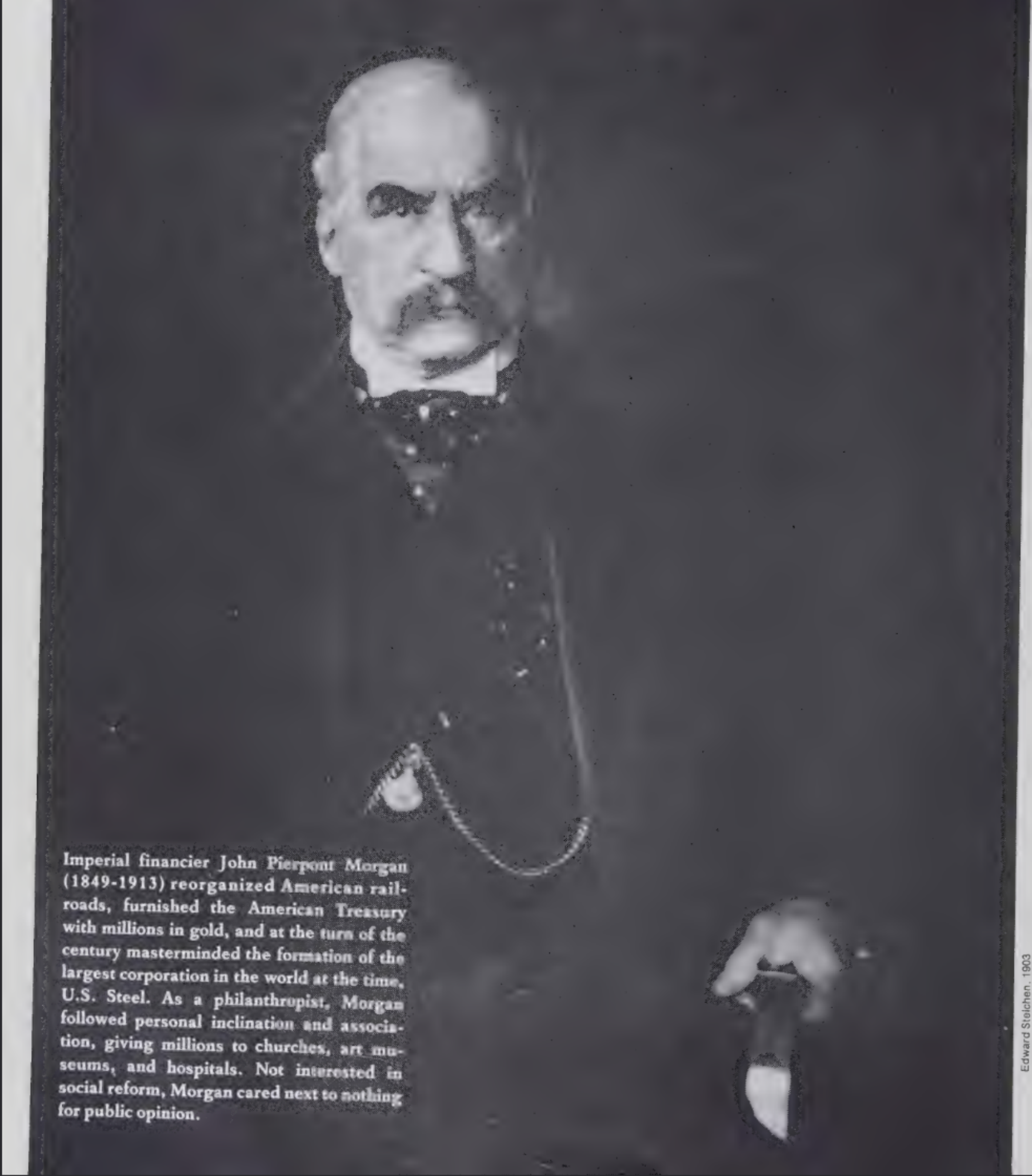
We support a different kind of philanthropy, that which helps people challenge those who have power over them—neighborhood organizations that push for better schools, rather than scholarship programs for a few students; secretaries working collectively for better wages and working conditions, rather than a management training program that produces a few women executives for window dressing; activists pushing for neighborhood arts centers and street theaters instead of an expensive new opera house.

Alternative philanthropy is not always easy. There is a lot of trial and error. Each of us has funded at least one project which he now regrets. But giving money has put us in touch with people and ideas we would never have known otherwise; for some of us, it's been the best educa-

tion of our lives.

This is a book, frankly, for people with money to give away. Not necessarily a lot of money; most of what is in the pages that follow applies whether you're giving away $500 annually or $50,000. But whatever amount you can afford, we hope this book will encourage you to act. Perhaps you'll rewrite your will, or get in touch with one of the social change foundations listed in Appendix I, or find a consultant, or start a philanthropy project of your own. We're living in a time when many progressive people with money are coming out of the woodwork and starting to act on their beliefs. There have been five new alternative foundations started in the last six years; as we go to press, two more are being considered. If this book contributes in even a small way to that trend, we'll be very happy indeed.

"When I look back over my life I am amazed by how much emotional energy I've spent trying to conceal the fact that I had inherited money. I remember once talking to friends about parks we had played in as children and trying to conceal that I had played in New York's Central Park for fear they would deduce that I lived on the East Side and therefore was rich. Then there was the usual driving-a-Volkswagen trip and a lot of other things too — hiding where I went on vacations, trying to avoid having my friends meet my parents, and so on. The biggest cost of all was in friendship, I think. When you are concealing something very important about yourself, no matter what the hell it is, people pick up on it. You're giving out messages: don't come too close. And so people don't."



Imperial financier John Pierpont Morgan (1849-1913) reorganized American railroads, furnished the American Treasury with millions in gold, and at the turn of the century masterminded the formation of the largest corporation in the world at the time, U.S. Steel. As a philanthropist, Morgan followed personal inclination and association, giving millions to churches, art museums, and hospitals. Not interested in social reform, Morgan cared next to nothing for public opinion.

Edward Steichen, 1903

I. Traditional Philanthropy

For most of us, words like "philanthropy" and "foundation" have always conjured up images of Old Pinstripes, the discreet, faithful attorney who has always arranged the family charity's donations to the symphony and the hospital from some glass and steel office on the 20th floor of a downtown building.

It never seemed like much fun.

It wasn't. Most philanthropy is an unimaginative, dutiful, and largely dubious process. Nearly half—$10.85 billion—of America's philanthropic contributions in 1974 went to religion; another $3.8 billion went to health care, nearly one quarter of which was used for hospital construction—and this in a country with a surplus of hospital beds. Projects involving social change issues of any kind—research, conferences, publications, legal suits, large "pilot project" service organizations, and occasional grassroots groups—got less than 2.8 percent of the total. Even the Ford Foundation, considered the most adventurous of the large foundations, gave only 8 percent of its money to projects concerned with social issues.

The pattern is the same with individual giving as with foundation giving.

"My parents were into giving away money," said one person with inherited wealth who now gives money through the social change-oriented Vanguard Public Foundation. "It's a tradition in wealthy Jewish circles in my home town. They were always after me in college to give away more money. Giving to the Symphony, the Crusade and my alma mater didn't mean anything to me. But Vanguard did."

THE BIG CHOICES

There are only three things to be done with surplus money: spend it, invest it, or give it away. Each person has to decide what combination of the three makes the most sense, personally and morally.

If you end up feeling that spending and reinvesting is a little selfish, you have to choose the most effective way of giving some funds away. Should you fund a youth symphony, or a free breakfast program in the ghetto, or a tenants' organizing group, or should you just cash in the whole banana for a couple of truck loads of spare change and head for 42nd Street?

. . . or should you just cash in the whole banana for a couple of truck loads of spare change and head for 42nd Street?

Rich people have traditionally given their money for non-boat-rocking cultural projects, or to programs alleviating the surface manifestations of problems whose real causes are much deeper. Briefly, traditional philanthropy falls into the following categories:

• *Bricks and Mortar:* Building programs. A new library for your old school; a hospital wing named after the family; a community center.

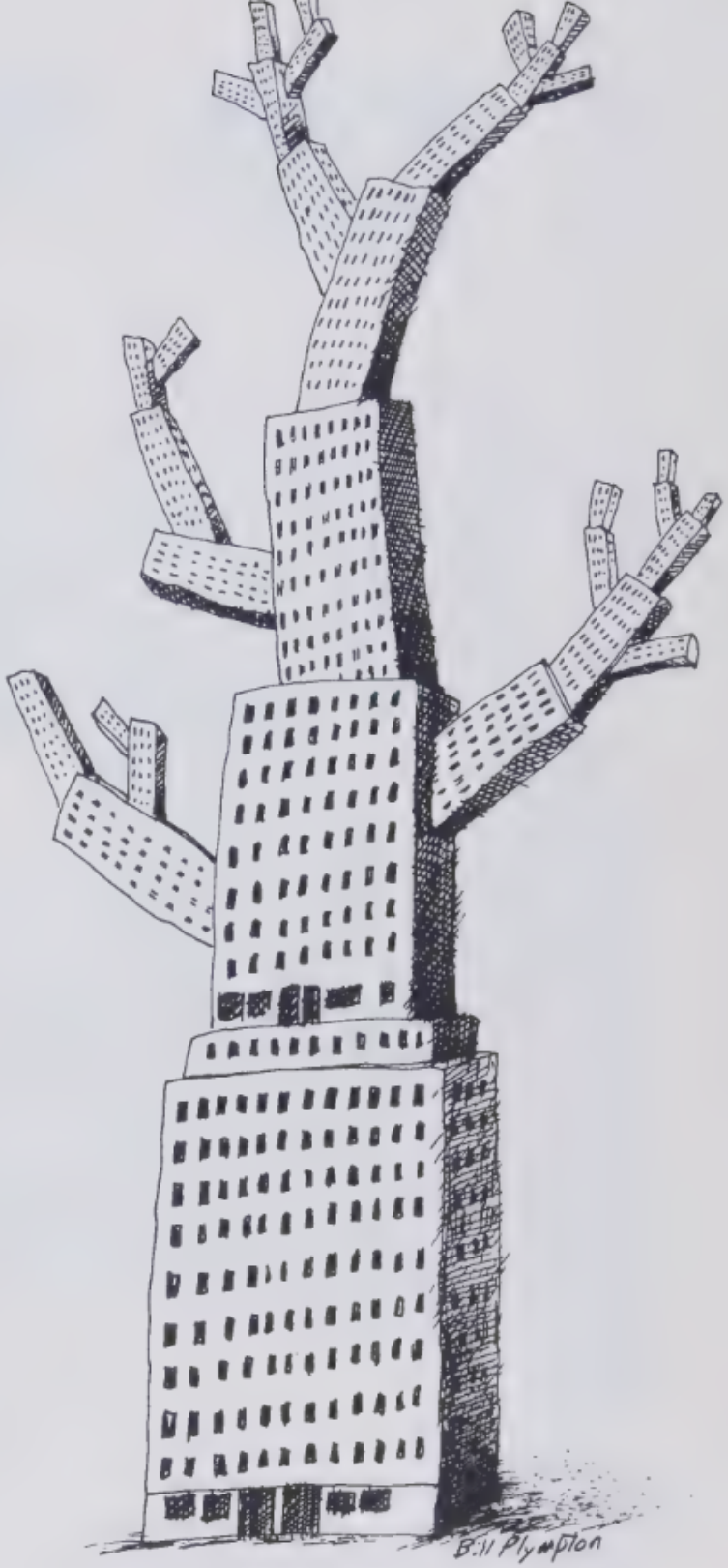
• *Culture:* A string quartet for Peoria; an art museum; the opera, etc.

• *Social Services:* The Boys' Club; psychological counseling for poor people; free lunches for senior citizens. These grants often fill pressing needs which are hard to resist funding because they relieve immediate

suffering. Often, however, service projects do not address the root of the problem, and their large budgets primarily pay for bureaucracy and the salaries of professional "helpers" of the poor and downtrodden.

As uninspiring as most of this philanthropy is, it can still be hard to disentangle yourself from it—particularly if your family has been giving in this way for generations. You turn twenty-one and calls start coming in from the fundraising chairperson of the local symphony, the director of the YMCA, the headmistress of Miss Whibley's School for Girls; they do not ask whether you are going to give—they only wonder how much. "You know, I'm sure, how generous your mother and grandmother have always been to the symphony . . ."; "We know we can depend on you this year, can't we?"; "Thank you in advance for your support of Miss Whibley's."

Obviously, if you are planning to get involved in the progressive philanthropy described in this book, it's best to avoid the traditional kind entirely. Or, if you have already been making donations like these, you'll need to get yourself disengaged gracefully. There's no need to go into elaborate explanations about why you think Miss Whibley's isn't that good for the world; just say that your priorities have changed. If you'd like, make one more donation and tell them it will be your last. Above all, don't feel guilty. There are better things to do with your energy, and much better things to do with your money. Some of these are described in the following chapters.



In 1974, $3.8 billion of America's philanthropic contributions went to health care, nearly one quarter of that toward hospital construction.

Neil Miller

La Raza Silkscreen Center is a community owned and staffed graphics arts center which produces posters, brochures, and other publicity materials for community groups.

Alternative Philanthropy

Alternative philanthropists believe that traditional grants attack symptoms but not causes. Would we need a Boys' Club to keep black teenagers from becoming juvenile delinquents if their unemployment rate wasn't over 40 percent? Would we need so many social work agencies in city ghettos if the people who live there had decent housing and medical care?

We think not. So we fund groups that fight the abuses of powerful institutions, that work to equalize the distribution of wealth and power, and that show disenfranchised people that if they organize and work together they can overcome entrenched interests.

This is how George Pillsbury of the Haymarket Peoples Fund (see Chapter Four) puts it: "It is encouraging when a black person is elected to Congress or a woman is chosen for the board of Standard Oil. But what are the overall benefits to all blacks, all women? As long as the system remains intact, no real change will take place.

"All structural change in history has been the result of mass movements—though often in combination with chance events or outstanding individual

leaders. Those in power have never given it away. The people took it away.

"Social change is not: Horatio Algers, scholarships, new hospitals, housing developments, reformed drug addicts, jobs for ex-prisoners, or a new President.

"Social change is: community-controlled schools, a collective bargaining agreement, a consumer-owned utility, a food co-op, the end of racial segregation and sexism."

Over the years, a small but growing number of rich people have funded such projects, which include such things as GI coffeehouses and draft counseling projects during the Vietnam war; the Student Nonviolent Coordinating Committee (SNCC) and Martin Luther King's Southern Christian Leadership Conference during the voter registration drives in the South; tenants' organizing, community newspapers, feminist health centers, Ralph

Tom Copy

The San Francisco Mime Troupe is an alternative political theater collective which has performed original comic satire nationwide since 1959. Here they perform free "False Promises-Nos Engañaron." Low-budget, community-based arts projects often must struggle to secure funding. These projects involve and educate the community and are important to ethnic groups with different cultural heritages which are frequently ignored by traditional arts groups.

Nader's projects and a large number of grassroots organizations.

Most of these projects would exist whether money came from the outside or not. Huge numbers of people wanted to try to end the Vietnam war and bring civil rights to the South. Today, hundreds of thousands of people contribute their energy to small organizations, fighting for more control over their own lives and communities. But money helps extend their reach, strengthen their staying power, and increase their effectiveness. Organizers can

Joanie Farley-Gillispie

San Francisco Opera House
Annual budget: $6,637,981

A member of the Clamshell Alliance demonstrates her opposition to nuclear power near the Seabrook, N.H. nuclear plant site in Spring, 1977. Clamshell was one of the first of a growing number of grassroots efforts organizing against the construction of nuclear plants.

organize on a full-time basis without having to work at other jobs. Flyers and leaflets can be printed on community-controlled printing presses. Donations can buy supplies for health centers, pay the rent on storefronts, pay for gas and airplane fares for organizers, and help small groups get moving and keep growing.

By funding groups fighting for fundamental social change, philanthropists have gotten in touch with people

The Solar Center is a solar design, sales, and installation company serving the San Francisco Bay Area. It sells solar heating kits for do-it-yourselfers, installs solar systems in residences and commercial buildings, and gives public classes in solar energy. The Solar Center is owned by the employees and democratically managed. Profits are controlled by the workers and will be used for projects benefiting the community.

who would never feel comfortable on the 20th floor of a downtown building. This new approach has created a new kind of philanthropy and a new kind of foundation. These new foundations, which first came into being in the early 1970's and which have grown in number in more recent years, have concentrated on funding several kinds of projects:

• *Grassroots organizing:* Neighborhood groups, sometimes with the help of a trained organizer, band together to fight for better playground facilities, to stop the construction of a freeway, or to save a group of houses from a developer. Farmworkers fight for better housing by teaming together. Tenants unite to work for rent

"The great intellectual discovery of my life has been the Marxist tradition. Not in the crude, predictive sense, of course; obviously we haven't had that revolt of the proletariat we were supposed to have. But in the deep way in which Marxism acknowledges that importance of class, of how your tastes, attitudes, politics, everything about you, is in large part determined by your class. I feel that squares with my own experience. It also feels strange in a way to have come to Marxism through the back door. I know there is a ruling class because I was born into it. It is a small group of people who control the major institutions of this country and I've seen some of them doing it firsthand. I think I always had some rudimentary sense of this from what I observed growing up, but I never quite put it together until I discovered Marxism in college, where it was—and still remains—a magnificent tool for dissecting how the world works.

"Another great thing about Marxism for me—I mean for me as a child of the ruling class—is that it does hold out the promise that you can ultimately liberate yourself from your class. When you study socialist history it is amazing how many of the great revolutionary leaders came from the middle and upper classes. Mao, Lenin, Castro, Trotsky. When I read about these people I see them with a different eye than most of their admirers: they are not only great revolutionary leaders, but also, for me, people who successfully liberated themselves from the class I came from."

control, better maintenance, collective bargaining on rents. For some of these organizations, a donation of only a few hundred dollars at the right moment can be crucial.

• *Support groups:* These groups do research and provide technical assistance to grassroots organizations. For example, one might research redlining, the refusal of banks and savings and loan companies to loan in specific neighborhoods which they consider to be high-risk, thus guaranteeing that the neighborhood will become a ghetto. A group fighting redlining needs professional assistance to articulate its case throughout usually long and tedious struggles until the fight is won.

• *Research groups:* These groups research such things as excess profits in the oil industry, hazards of toxic industrial by-products, environmental costs of strip mining, economic waste in military spending, discrimination in employment against women, abuses by multinational corporations. The most effective research groups tie their work to grassroots organizations concerned with the same issues.

• *Public interest reform groups:* These groups, Ralph Nader's various organizations among them, use elite professional skills to push for clearly defined, sometimes limited change. Public interest advertising groups lead campaigns against governmental invasion of privacy and nuclear power; public interest law firms represent community groups, file affirmative action suits, and press class-action cases against corporations; public interest accountants offer their specialized skills to activist organizations.

• *Alternative Media:* Community newspapers, films about specific struggles, videotape collectives, magazines, and alternative radio stations help show how the individual's problems are intertwined with larger economic issues. For example, these media may help draw links

between "runaway shops" (factories that move out of the country), union struggles here in the United States, and a broader picture of U.S. imperialism. Alternative newspapers like the *Texas Observer* or the *Maine Issue* uncover stories more conventional papers are generally afraid of; radical documentary filmmakers produce films on topics which are ignored by the big studios, such as union struggles and working women. *Harlan County, U.S.A.*, which won an Academy Award in 1977, traces a struggle between striking miners and a company that hired gun thugs to break the strike; it is one of the best recent examples of an effective social change film.

• • •

O.K., so you've made up your mind—you want to fund projects like these. Where do you begin? The following three chapters describe how several new alternative foundations have answered that question.

Vanguard staff collective (left to right): Tani Takagi, Laura Bouyea, Evelyn Shapiro, Jonathan Cohen, Obie Benz.

The Vanguard Public Foundation

Working out of a converted apartment in a sunny alley in San Francisco's counterculture Noe Valley, the 30 young rich people who make up Vanguard Public Foundation give away more than $250,000 a year to Bay Area social change groups. Most of the organizations they aid can't get money elsewhere. Vanguard is one of the several new progressive foundations now under way or in the process of being set up in the United States. Two others are discussed in the following chapters.

Vanguard funds a wide variety of grassroots organizing projects and more sophisticated public interest reform groups. The range of their grants includes:

• $9,000 over four years to the Prisoners Union, which publishes 20,000 copies of a monthly newspaper, "The Outlaw," that is distributed inside prisons throughout the country. The Prisoners Union negotiates with prison officials over living and working conditions, pay, and prisoners' rights.

• $10,000 over two years to San Francisco Consumer Action, whose staff of 23 helps to organize consumers to write, picket, and boycott merchants who sell shoddy merchandise and refuse to honor guarantees. In the process, SFCA helps

Irene Fertik

Prisoners Union founder Willie Holder consults with Dave Rothberg about an issue of The Outlaw, the Union's monthly newspaper. The Prisoners Union is a representative organization of convicts which negotiates with prison officials to change harsh living conditions, brutal treatment by guards, the lack of rehabilitative training programs, and chronic racial conflict within prisons.

educate people about the workings of banks and large corporations by publishing a guide to banking costs, an analysis of "redlining," and a guide to auto insurance. Their monthly newsletter goes to 10,000 subscribers.

• $15,875 over two years to pay salaries and rent for La Raza Information Center, a Latino community group which gathers neighborhood sentiment on planning issues, formulates proposals, and takes action. The Center successfully pressured the San Francisco Planning Commission to implement its proposals to "downzone" 12 residential Mission District blocks threatened by commercial development from the outside.

• A continuous stream of smaller grants, often in the $200-$2,000 range, aids groups which need emergency help to send a delegate to a conference, print a newsletter, or fly an expert witness to a trial.

Contacting, researching, and screening groups like these is a full-time job for Vanguard's five staff members. One-half of the grant decisions are made by Vanguard's Board of Directors—the staff and the Foundation's 30 donors—at a monthly meeting, and a board of seven community activists makes the remainder (more on this later).

The atmosphere of the seven-room office is casual; everybody dresses informally; the secondhand desks are cluttered with piles of correspondence; silkscreened political posters cover the walls. The staff answers phone inquiries, raises funds, and does preliminary research into grant applications to make sure they fit the Foundation's funding guidelines. Applications that clearly fall outside the guidelines—like a proposal to create 200 new cities—are turned down over the phone. Each staff member has primary responsibility for different aspects of the office work, and to keep office structure nonhierarchical, decisions about specific tasks are made collectively at

weekly staff meetings. Busywork is rotated periodically.

The two men on the staff, Obie Benz, twenty-seven, and Jonathan Cohen, thirty, have inherited money and work without salaries. The three women, Laura Bouyea, twenty-six, Evelyn Shapiro, thirty-four, and Tani Takagi, twenty-four, are salaried.

At the monthly donor meeting, the office staff presents the donors with a brief typewritten summary of each project application. The donors and the staff then screen out the groups that don't fit the guidelines and decide which to investigate further.

Any donor who wants to is encouraged to help interview applicants and visit their offices; this makes for better funding decisions and helps the donors learn about Bay Area communities and the relative effectiveness of different kinds of social change projects. Other donors prefer to remain anonymous and limit their Foundation involvement to donating money and attending board meetings.

Donors find that Vanguard allows them to pool administrative costs and provides group support as they learn how to give money away effectively. The Foundation has developed a reputation for perceptive grants and quick decisions on applications from small activist projects. In 1977, it granted $308,844 in amounts of $10,000 or less to 72 projects, and loaned another $31,500.

• • •

Obie Benz, who works in the office and has been responsible for a large part of the fundraising, started the Foundation in 1972, soon after he arrived in the Bay Area as a recent graduate of Middlebury College. Out of work, and turned on to politics by the anti-war movement and student strikes of the late '60s, he met up with a college acquaintance from San Francisco who had also inherited

La Casa de las Madres, a shelter for battered women and their children, received their first foundation funding from Vanguard at a time when the problem had not yet been recognized by funding sources in the Bay Area. Since their first grant, La Casa has continued to provide care and counseling for hundreds while bringing to public awareness the physical abuse of women and children. As a result of their pioneering work, La Casa has received funds from a number of more traditional sources.

money and wanted to put it to positive use.

Obie had the time and interest to organize the Foundation; his friend, a popular long-time resident, had the San Francisco contacts. He called old acquaintances and set up an exploratory meeting.

At the initial meeting, ten potential donors, all between the ages of twenty-two and twenty-six, began talking about their images of the new foundation. Many of them were people in Obie's position—unemployed, just out of college, introduced to politics by the anti-war movement, still searching for their own career directions, and interested in doing something with their money. Six of them subsequently joined the Vanguard board; new members came through word-of-mouth and by referral from more established foundations.

"At first, no one had a clear idea of what sorts of groups we would fund," said Obie. "We wanted to support groups that couldn't get money elsewhere because they were too controversial or too risky. The only thing we knew much about was anti-war groups, though we all agreed that we didn't want to confine ourselves to them. We had a variety of political perspectives, ranging from McGovern-type left to completely apolitical.

"For the apolitical people, Vanguard was a chance to contact other people in the same position—much like a women's group—and discuss mutual problems. They also got a chance to learn about social change and develop their own political priorities in a context that wasn't threatening to them."

In a series of preliminary meetings, the group decided on some tentative guidelines: they would fund only Bay Area social change projects, and they would do the office work and the grant screening themselves.

"I became the organizer," Obie recalled, "the person willing to put in the time and to learn each potential member's needs and politics. A foundation like

this requires someone who's willing to commit himself to a good six months to a year of organizing and researching to get it off the ground."

Obie found a sympathetic accountant and a lawyer who explained the relatively simple mechanics of setting up a tax-exempt foundation and keeping books. He then began talking to foundation executives and activists to find out about the local social change scene.

Over the next six months, the six original members hashed out detailed funding guidelines, working with the information Obie gathered. "We decided to fund groups that couldn't get funding from the established foundations," Obie said. "In our area, that meant women's rights, prison reform, and alternative media.

"We originally looked for very small groups for whom our maximum grant of $2,000 could make a significant difference in whether they got off the ground or not. We thought of these grants as one-time 'seed money,' to enable them to get started and attract bigger grants from larger foundations or become self-sufficient. In many cases this has worked out. But the organizations which were the most controversial—and often the most effective—didn't get picked up by the more conservative foundations, and we have consistently refunded them.

"For example, the Network Against Psychiatric Assault, a group of ex-mental patients, effectively stopped shock treatment in San Francisco and provided information that spawned the writing of a California law requiring a patient's permission be given before shock treatment. But they haven't been able to get a dime out of other foundations. The same holds true for groups like COYOTE, the prostitutes' union, and a project providing legal services to farmworkers, and the San Francisco Mime Troupe, which presents extraordinary, entertaining free plays with a radical approach in San Francisco parks.

"Other projects, like the Prisoners Union, have

The Intermittent Journal of a Loose Woman's Organization

COYOTE HOWLS

Arrest and incarceration for victimless crimes continues to occupy the energies of police, whose function should be to protect citizens from crimes of violence. The enforcement of prostitution laws clearly discriminates against women (the procuring man is rarely arrested, never prosecuted). COYOTE (Call Off Your Old Tired Ethics) was formed in 1973 to support women accused of prostitution and to educate the public about the issue. COYOTE's sister groups exist nationwide.

taken Vanguard money, gotten rolling, and then gotten substantially larger grants from liberal foundations. We often call other foundations to recommend projects they might be interested in."

Early members also decided on a number of other policies which changed as Vanguard grew in both money and experience. "We originally decided not to fund salaries," Obie said, "because at the time we thought that if people were really committed to a project, they wouldn't ask to be paid for their work. We were also worried that with our inexperience, we would be ripped off.

"Now, we realize the bias to that guideline. Most organizing projects take a lot of work and coordination—and low-income people with families to feed can't afford to work for free. The only ones who could were young, single, middle-class, and had some hidden cushion."

• • •

After several years of operation, Vanguard has evolved a set procedure for dealing with a group asking for money. Let us say, for example, that Vanguard gets a request for funds from the Clinton Block Club. Clinton Heights is an integrated, working-class neighborhood located on one of San Francisco's sunny hillsides. Its residents have organized to deal with community problems and to prevent developers from buying up vacant lots at the top of the hill on which they plan to build high-cost, speculative housing.

The first Vanguard hears of this project is when someone from CBC calls the Foundation office. The Vanguard staffer, after determining that this isn't one of those 200-new-cities calls that have to be turned down gently right off the bat, asks CBC to send in a short written proposal and then describes the process the

proposal will go through. CBC submits a proposal within the week.

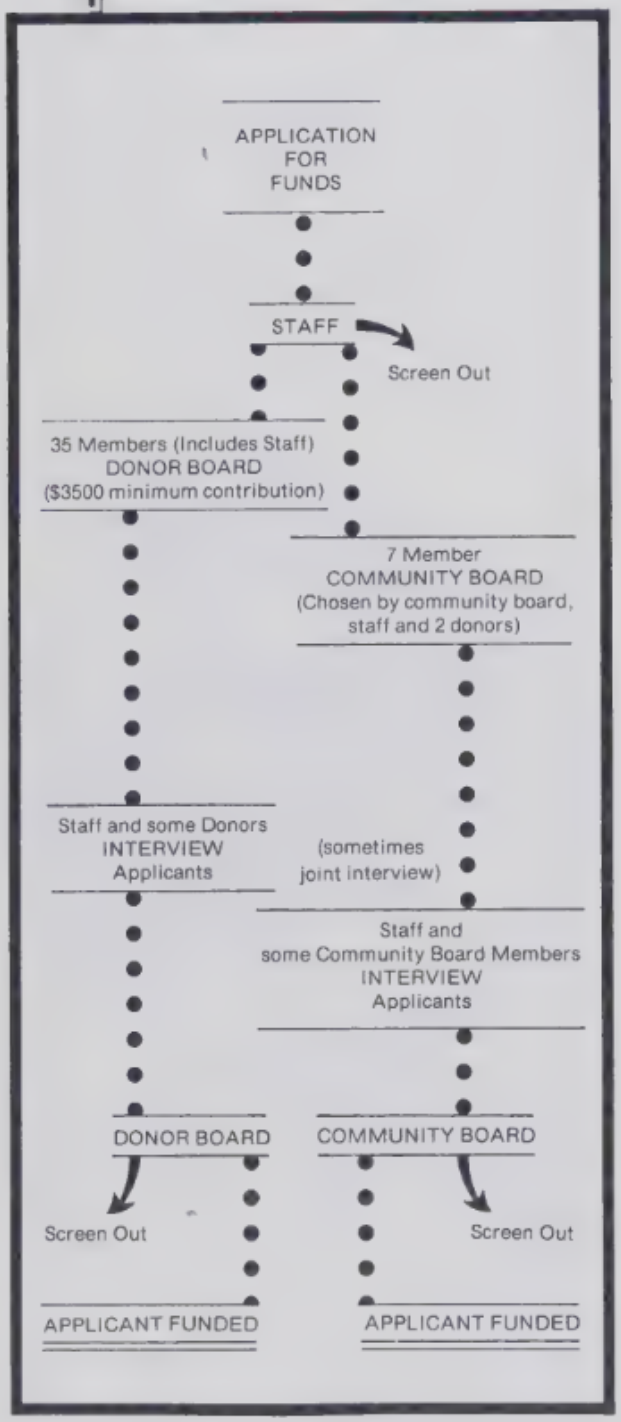
At its next meeting, two weeks later, the board decides to investigate further. An appointment is made, and one afternoon a group of five people—three donors and two staff members—meet with CBC members at their temporary office in a room above the local co-op. (The chance to visit working-class and ghetto areas of the city is a valuable and politicizing experience for many donors who have grown up in comfortable suburbs.) CBC is represented by six people: the two main organizers, an elderly couple who have lived in the neighborhood for 40 years, and a young Chicana woman and her child. After introductions and a brief rap about the Foundation's funding criteria and process, the Vanguard group questions the CBC representative about the history of the organization, its membership, and the current situation with the developers.

At first the group seems somewhat surprised by all the questions; they didn't expect anything like this. And even though most of the questioners phrase their queries politely, the organizers feel: what right do these young richies have to grill us? After a while the atmosphere eases, however—Vanguard veterans have found that the second half of an interview is always easier than the first; it takes a while for a group to get accustomed to the fact that the "devil's advocate" questions are not hostile, but a way of eliciting detailed information.

Towards the end of the meeting, financial questions are asked. Who would receive the salary asked for in the grant? Are the operating expenses realistically projected? What about the costs of paying a lawyer? A donor then asks the CBC people, "Do you have any questions that you'd like to ask us?" One of the organizers wonders if Vanguard has ever funded a similar project; another asks if there are other sources to which they should apply for

Network Against Psychiatric Assault is a group of mental-health professionals, ex-patients, and others who are working to change forced treatment in institutions, control-oriented therapies, involuntary drugging, and other forms of oppressive treatment.

The Funding Process


APPLICATION FOR FUNDS
STAFF
Screen Out
35 Members (Includes Staff) DONOR BOARD ($3500 minimum contribution)
7 Member COMMUNITY BOARD (Chosen by community board, staff and 2 donors)
Staff and some Donors INTERVIEW Applicants
(sometimes joint interview)
Staff and some Community Board Members INTERVIEW Applicants
DONOR BOARD
COMMUNITY BOARD
Screen Out
Screen Out
APPLICANT FUNDED
APPLICANT FUNDED

Funding decisions are made six times a year. Maximum grant for each Board, $5000. Maximum total Vanguard grant, $10,000.

funds. The older woman asks where Vanguard gets its money: does the Foundation have an endowment? The whole meeting takes an hour and forty-five minutes, including a short walk around the blocks targeted to be saved from the builder.

Back at their own office, Vanguard staffers phone a local technical assistance group and another housing group that had been mentioned in the meeting. According to these experts, CBC has been very successful with its tactics and provides an excellent model for other groups who are fighting to preserve their neighborhoods and keep housing costs down.

Several weeks later, CBC is on the agenda of the monthly board meeting. Nineteen members squeeze into the Foundation office. This evening, over cheese, apples, and beer, there are seven final funding decisions to be made. When CBC comes up for discussion, board members who did not attend the interview question those who did. Is CBC's strategy realistic? (Yes, overwhelmingly so. A high percentage of the residents have been mobilized to attend Planning Commission meetings. This citizen input has convinced the Board of Permit Appeals to put a hold on construction for another six months.) Is there any possibility of CBC getting funding elsewhere? (No, not at this early stage of the project. It receives a small amount from membership dues. Vanguard staffers have checked with other progressive foundations and they won't be able to respond for at least three months.) What about the organizers' credentials? (One of the two organizers has a good track record locally. She was involved with a tenants' rights group which Vanguard helped fund two years earlier.) How many Third World people are in leadership positions in the group? (Only one, although the neighborhood is well over half Chicano.)

There are more questions, but these are only the

highlights. The decision is yes. There is a major reservation about the group's budget, which seems high in several areas. Instead of the $5,000 CBC requested, the Vanguard board votes to grant the group $3,000—enough to pay a half-time salary to one organizer and to cover some office expenses—which should be sufficient "seed money" for a six-month period.

The next day, a staff member telephones CBC with the good news: $3,000 for six months, after which the group is encouraged to get back in touch with the Foundation about the progress of the project. The staff member outlines the main points of the board's discussion, which were mostly positive, and mentions the concern over the involvement of Third World people in the organization. As it turns out, CBC is in the process of doing serious outreach to bring more Blacks and Chicanos into the group.

• • •

During its first year, Vanguard raised about $80,000 in amounts ranging from $200 to $23,000. The maximum grant was $2,000 the first year; now it is $10,000. The minimum contribution for board members is now $3,500, though many members give considerably more. Seventy individuals other than board members contributed almost half of the $400,000 raised in 1977.

One grantee, which has received two Vanguard grants of $5,000 each but was turned down for a third, found the Foundation easy to deal with. "They're a very relaxed crowd of people, which makes us very relaxed," said a representative of the group. "They're not arrogant, and when they turn you down, they give you a true evaluation. They don't bullshit you."

Said another, "They are very professional. They ask you about your operation in a businesslike way. What

effect are you having? How does it work? The nuts and bolts, the purpose. It's very cold-blooded, but that's the way we want to be considered: like a business deal."

For four years, Obie, board member Peter Stern, and other members of the group handled all the office work. But in 1975 and 1976 three paid workers, Laura Bouyea, Evelyn Shapiro, and Tani Takagi, joined the staff and the decision-making board, bringing with them a new perspective.

"We've brought in community feedback," says Evelyn. "It's always hard for foundations and wealthy people to get honest criticism, and the groups are often more comfortable with us."

For example, some groups told the staff how intimidated they felt when eight or more young rich people descended on two or three of them to fire questions during a grant screening interview. Vanguard has since cut down on the number of donors who attend each interview.

"I think we've helped make changes in Vanguard," said Evelyn. "We were able to say, 'As much as you're doing for social change, here's where your weak points are and here's where you should do more.'"

"Gradually, we realized the donor board could be responsive when shown where they had been wearing blinders. It did take a little struggle in the beginning, though," says Laura Bouyea.

Vanguard also brought its politics closer to home. In its concern with keeping the Foundation's overhead low, Vanguard did not pay its workers' social security or health insurance until the employees insisted on it. "Unfortunately, they had to make us realize that they didn't have the same resources to fall back on that we did," Obie says.

Vanguard's funding quickly spilled over its original three categories (women's rights, prison reform, and

alternative media). Today it grants money both to grassroots organizing projects and to professionally run reform groups like the Public Media Center, a group of advertising workers who create anti-nuclear power, ecology, and pro-farmworker advertisements.

"We like to see people who have a handle on changing a specific, concrete problem," says Peter Stern. "With some of the bigger issues like land reform, public-interest projects run by professionals tend to have more of a handle on the leverage points bringing about specific changes."

Tani Takagi was concerned that, "Because of Vanguard's 'public interest' orientation of a few years ago, we hadn't gotten many proposals from Third World communities which met the criteria. The best grassroots organizing had large service-oriented components and weren't even getting interviewed."

Following Tani's advice to open the criteria, the Foundation increased its grants to San Francisco's large number of Third World communities in 1976. That year, 30 percent of the groups funded were Third World groups, up from 15 percent in 1975.

"We looked for ways to expand our guidelines and remove the cultural barriers that make it hard for Third World projects to get funds," Tani says.

For the first four years of its life, Vanguard's donors retained absolute control of where their money went. Members could even channel funds through Vanguard to support specific projects the rest of the group had decided not to fund, thus easing the strain of having to abide by consensus funding decisions. Finally, after considering the examples of Liberty Hill and Haymarket foundations, Vanguard members decided that if they were really serious about redistributing power in society, that redistribution had to include the power to give money.

In the last half of 1977, Vanguard set aside half of its

"Coming out began to happen for me when I was twenty-nine or thirty. All of my adult life I had taken great pride in being able to earn money, get good jobs that depended on my skills and not on connections. Finally I got a job in the McGovern campaign in 1972 that paid $1,000 a month. It was one of the higher-paid positions in the campaign, and far more, really, than they ought to have been paying anybody. But, curiously, I think it was that that finally enabled me to say to myself: O.K., look, you've proved it, you can make it on your own, the world thinks reasonably well of you even when it doesn't know you have dough.

"From that point on I really began to come out—and I use the word advisedly, because I think I've felt a lot of the same emotions and relief and pleasure that gays feel at finding others in the same boat. My life has been much more relaxed since. It was one of the best things I ever did. And you know, the funny thing is that it doesn't make all that much difference in how people treat you. Maybe that's what the gays feel too, I don't know. I mean when somebody first finds out you have inherited money, at first maybe they'll be a little standoffish or not quite know how to deal with it, but after a while most people simply forget about it if they're seeing you every day in some other connection. Or else it's just one fact in a whole bunch of facts they know about you."

funds for a new community board, which is made up of activists from a wide range of Bay Area communities. Of the seven members, five are women, and five are Third World people (Japanese-American, Chinese-American, Latina, Black, and Native American). Like the donor board, meetings are held once a month with interviews in between. The new board's decisions involve prior knowledge of groups, individuals, and communities which the donor board has never enjoyed. For more information about community boards, see Chapter Eight.

The donor board will continue to make granting decisions for the other half of the funds raised. This structure was agreed on as a means of keeping donors involved in the organization, since their active participation encourages them both to give increased amounts and to solicit their peers to follow their lead.

"One activist became a close friend. I could tell him all my anxieties about giving away money, how I would be ostracized, how I would feel if everybody looked at me as moneybags. He became close with all that I understood and articulated. He could call up and say, 'How do you feel about giving $20,000,' and I could say yes or no and know that he wouldn't judge me or have preconceived ideas about the rich not being radical enough."

• • •

Vanguard maintains close ties with more conservative foundations by attending foundation lunches and conferences. In 1976, Obie was elected to the national board of the Council of Foundations, whose member organizations control 70 percent of the nation's foundation grants. Evelyn Shapiro is on the Program Committee for the Council's 1978 conference in Washington, D.C. and was a founding board member of Women and Foundations, a national group advocating both greater women's participation within foundations and greater funding of women's groups.

Vanguard has produced some ripples. Haymarket Peoples Fund (Chapter Four), based in Boston, differs substantially from Vanguard in that it is controlled entirely by a community board, although it began by using the same model. Liberty Hill Foundation in Los Angeles (Chapter Five) has a board of seven community activists

and two donors. Similar foundations are forming in New York City, Philadelphia, and the Pacific Northwest.

Vanguard is a nonendowed public charity; it doesn't live off the interest of a large chunk of money resting in stocks and bonds. Each year, it spends the amount of money it has managed to raise the previous year. If its donors lose interest, or the office staff fails to raise money, Vanguard will go quietly out of existence. Though they do plan to be around for a very long time, this situation does have its advantages: instead of thinking of itself as a creature of eternal life, a permanent institution, Vanguard looks to the day when society has been so changed that there'll be no more need for it.

Sandy Swanson

Angry vehicle owners pose with their "lemon" before taking part in a Consumer Action demonstration at the dealer's showroom. Consumer Action helps individuals resolve complaints about specific products, and publishes consumer-oriented comparative guides on topics such as auto insurance and savings and loan companies.

Haymarket Peoples Fund (top): George Pillsbury, Janet Axelrod, Julia Scott; (bottom) Judy Sutphen, Deborah Wright, David Crocker, Linda Hillyer.

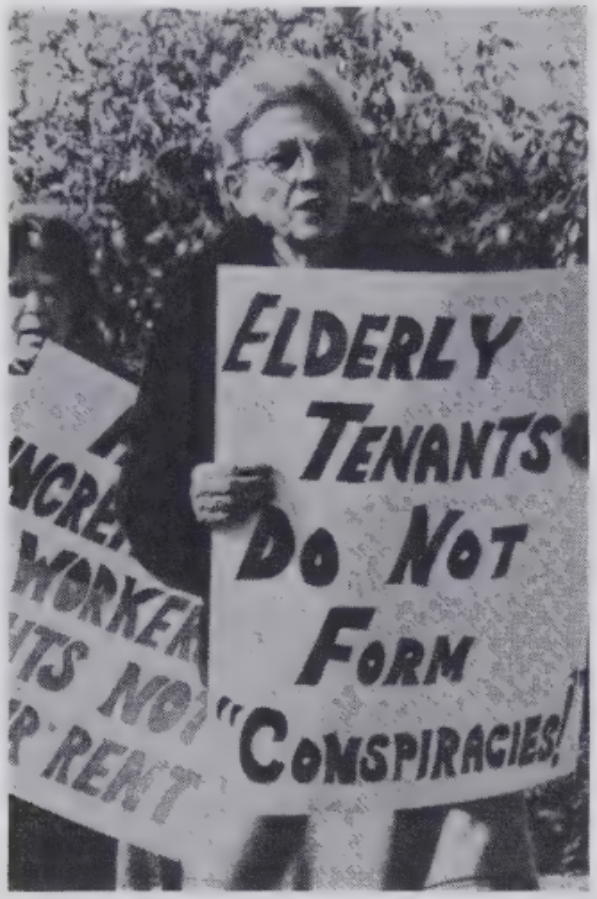
The Haymarket Peoples Fund

Three thousand miles from Vanguard, in a converted second-floor apartment off Cambridge's Harvard Square, another group of people with inherited wealth give away about $155,000 a year through the Haymarket Peoples Fund.

Haymarket's office is furnished with secondhand desks; colorful posters brighten the walls, and the telephones are continually busy with callers asking for money. A downstairs room holds a library of Movement periodicals and foundation annual reports. Although young wealthy people started Haymarket, its office is now run by a non-wealthy staff.

One other key difference from Vanguard has made Haymarket a pioneer among American foundations: since its 1974 founding, Haymarket's funding decisions have been made by a board of community activists, not by the rich people who donate the money.

"We appreciate a limited amount of input from donors," says George Pillsbury, a founder of the Fund. Blond, mustached, and given to wearing work boots and blue jeans, Pillsbury is an heir to the Minnesota banking and flour fortune. Perhaps because of his name, he has always been very public about



Tenants First Defense Committee was formed to defend a group of Massachusetts FHA tenants and their unions against a multimillion dollar civil conspiracy suit filed against them by landlord Max Kargman, owner of the eight FHA housing projects where the unions are located.

having money, enduring endless jokes about being a "dough-boy" or "flour-child." His clipped speech and quiet, self-effacing style conceal an activist's energy, for it was he who organized and fundraised to get Haymarket started after reading Vanguard's first annual report. George left the Haymarket staff for other work in 1977, although he retains very close ties with the foundation.

With the exception of George and David Crocker (a full-time member of the staff collective until late 1977), none of Haymarket's donors are publicized, and many of them remain anonymous. They keep in touch with the group's funding decisions through a monthly newsletter, a comprehensive annual report, and occasional meetings. "Many donors appreciate the structure of Haymarket, which requires only a limited amount of input from them," says Judy Sutphen, another member of the staff collective.

Decisions are made three times a year by Haymarket's eight regional boards in Maine, New Hampshire, Rhode Island, Massachusetts, and Connecticut. Their political interests range from environmental concerns and the activist left, to the women's movement and Third World community organizing.

But the foundation's staff feels they still need to build better lines of communication to Third World community groups in the larger cities and towns of New England. Janet Axelrod, another staff member, sees the difficulty Haymarket has in reaching Third World communities in Boston as symptomatic of the city's deep racial divisions. But the foundation has made a number of grants to organizations involving Third World people, and Black and Puerto Rican people have become members of the funding board. (After the addition of the first Spanish-speaking Boston board member, applications from and grants to Latin communities tripled.)

The involvement of board members in poor and

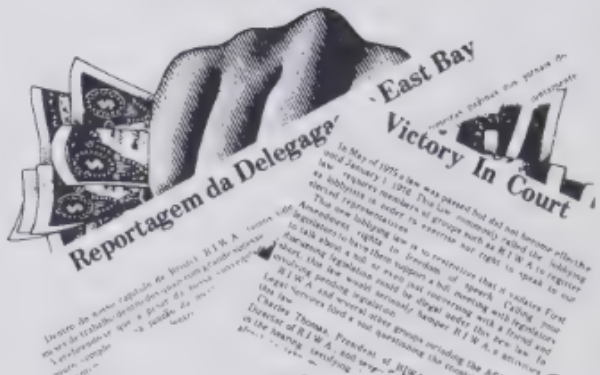
working-class communities all over New England helps the foundation make contacts there and encourages grassroots grant applications. Judy says, "It's hard for ruling-class, white, rich, usually male people to judge what makes sense to fund in the left. It takes time to get inside it, and very few rich people have or take that option. It takes time to develop expertise."

Haymarket funds a wide range of groups and working-class organizing projects. It makes fewer grants to "public interest" projects involving middle-class people with professional skills in such things as law, advertising, and research.

Janet looks at it this way: "We believe that people have to do things themselves, and that public policy work or alternative work is not in touch with Third World and working-class people. When you organize a neighborhood for better housing, people learn in the process that if they get together they can change the situation, whereas people with college skills already know they can do that. The whole process is empowerment, and some of that is psychological."

But Haymarket is skeptical about funding any left sectarian group (like the Revolutionary Union or the October League) that appears to be a small cadre developing policy in isolation. "We apply our guidelines," says David Crocker. "If it looks like there's a specific group of people in charge, and community people aren't going to be able to get in there and have input, we're probably not going to support it. But if they're doing some organizing work and a lot of people are involved in their potluck dinner meetings every Thursday night, we will support them."

Haymarket also realizes that their grantees usually must do some "service work" in order to do effective grassroots organizing. It's hard for people to put their energy into fighting for long-range goals when they are



R.I.W.A. Wins $59,203 in Free Health Care!

A longtime grantee of Haymarket, Rhode Island Workers Association is the only statewide community organization of unemployed, retired, and low-wage workers in Rhode Island.

The Funding Process

APPLICATION FOR FUNDS
STAFF
Screen Out
ONE COMMUNITY BOARD
representing applicant area:
(members chosen by community board and staff)
• New England / Board of Directors (1 rep. from each regional board, 2 from Boston)
• Boston (10 members)
• Maine (6-8 members)
• Western Massachusetts (6-8 members)
• Hartford, Conn. (6-8 members)
• New Haven, Conn. (6-8 members)
• S.E. Massachusetts / Rhode Island (6-8 members)
• Vermont (6-8 members)
• New Hampshire (6-8 members)
one board member INTERVIEWS applicant
COMMUNITY BOARD
Screen Out
APPLICANT FUNDED

Funding decisions are made three times a year. The Haymarket grants range from $500 to $2500.

worried about day-to-day hassles like child care, or they can't pay their rent. By setting up day care centers, helping with welfare problems, or providing a neighborhood with a senior citizens' drop-in center, organizers can establish the positive relationships with the community which they need to mobilize its members to fight City Hall on a major issue.

"It can be a real problem," David continues. "There's always a balance: how much service work can you do and not get swallowed up by it? But if you're getting evicted by your landlord, or you can't pay for babysitting, you're not going to be able to fight day care cutbacks."

Among the projects Haymarket has funded:

• *The Dorchester Children's Center:* A day care and women's center located in a racially mixed working-class section of Dorchester, Massachusetts. With the long-range goal of helping women make responsible decisions about their own lives, the center offers welfare counseling, self-defense classes, and a library on women's and community issues.

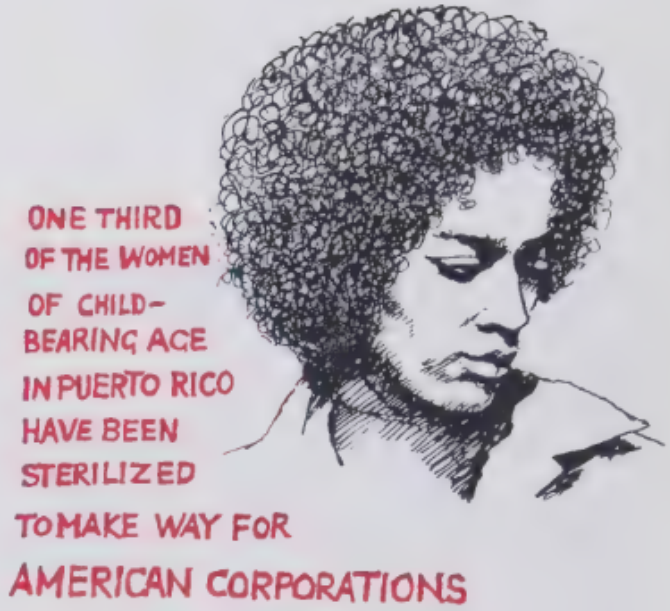
• *The East Boston Community News:* A five-year-old free community newspaper which, in its role as East Boston's sole progressive voice, received funds from Haymarket to expand its circulation.

• *Nine to Five:* A group of women office workers who do organizing and educational work within Boston's vast population of women office workers, mainly in educational, publishing, and insurance institutions. Nine to Five went on to receive support from two large New York foundations, and similar groups have sprung up in over ten major cities.

• *Struggle:* A Black community newspaper. Funds bought an IBM typewriter that is used for typesetting.

• *The Puerto Rico Solidarity Committee:* An organization that does educational and outreach work to publicize and support the struggles of the Puerto Rican people, both on the island and in the continental United States.

• *The Clamshell Alliance:* The New England-wide organizing project that led recent attempts to block construction of the Seabrook, New Hampshire power plant. It is in the forefront of a growing progressive movement all over the country challenging the spread of nuclear power.



Besides the tax-exempt money given away by the community board, Haymarket also gives away money in several other ways. The Fund acts as a conduit for "donor-specified" grants to organizations which an individual donor wishes to support. Such a donor may want to earmark her or his money for a particular project but for some reason—tax advantages or anonymity are the most common—wants to give it through Haymarket.

Haymarket also distributes money ($30,000 in 1976) from the "Rank and File" account. This is a piggy bank of "hard" (non-tax-deductible) money to be used for non-tax-exempt social change purposes like union organizing and lobbying for legislation.

"This is the only way to legally make the whole process work," says the Rank and File prospectus. "Getting money to groups based on merit and political needs, rather than whether or not they have been recognized by the government as tax-exempt."

The Haymarket newsletter (900 copies go to donors and activists monthly) carries short articles on foundations and social change groups as well as news of grants and other Haymarket activities. The latter includes a drop-in center filled with community newspapers and information on other funding sources; the now self-

An 1886 handbill calls for a general meeting to protest the killing by Chicago police of several striking employees of the McCormick Harvester Company who were participating in a rally at Haymarket Square. The strike centered around workers' demands for a 40-hour work week. A movement built up around the Haymarket affair, but in 1887 five activists were sentenced to death, and three more received 15 years to life imprisonment for their participation in the struggle.

sufficient Haymarket-initiated library of radical films available at nominal rents; Haymarket-organized conference weekends where New Englanders with inherited wealth can discuss the personal and political problems associated with it; and a Haymarket-researched and published study of community organizing activities in Massachusetts.

"Haymarket sees itself as a resource for the left and social change organizations," says Judy Sutphen. "We are this pool of money, plus people willing to do paperwork. We attempt to wield as little power as possible. We don't know what it would take to organize people in Dorchester. It's a resource position, not a front-line position."

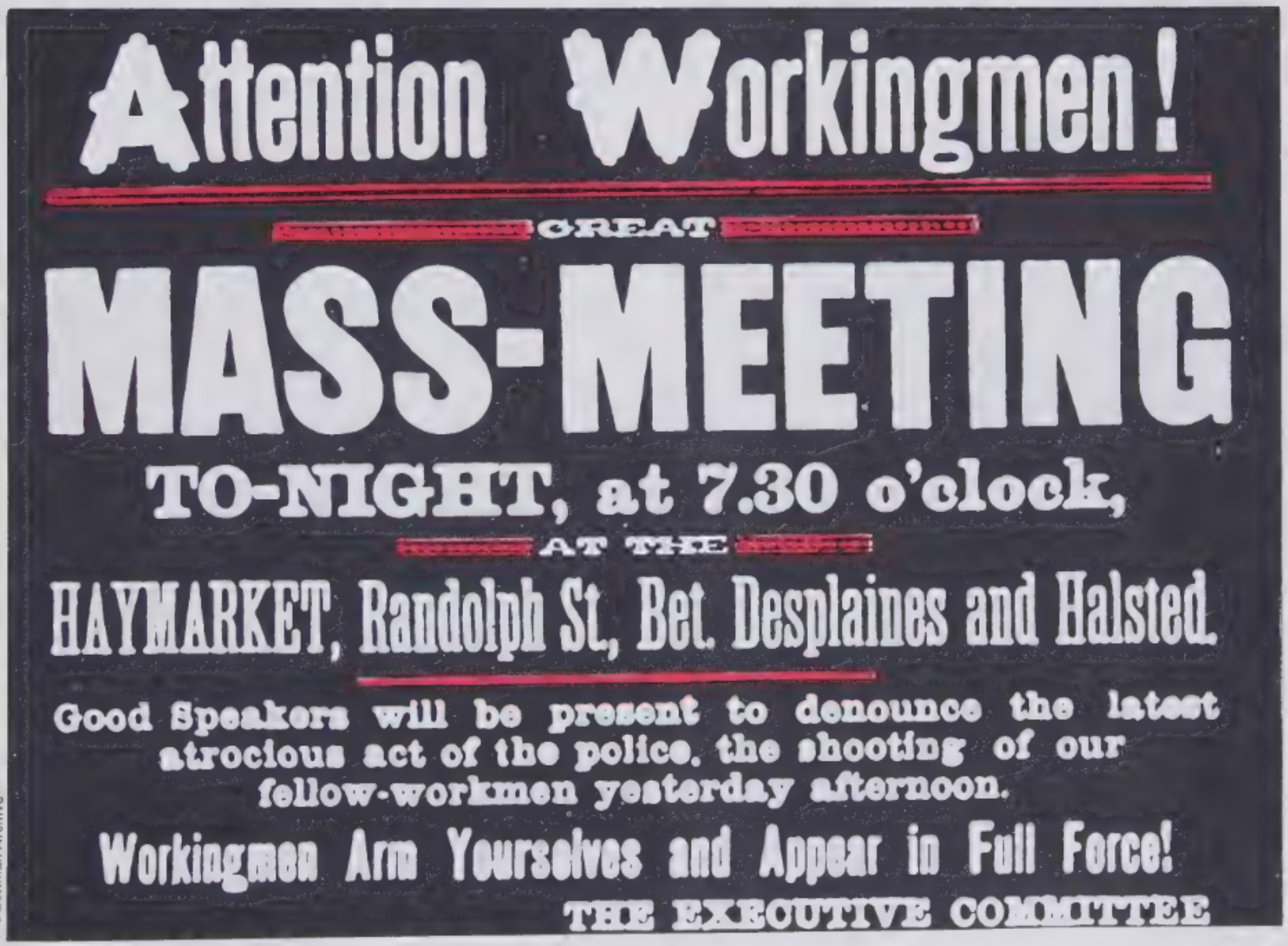
Haymarket's staff operates as a collective. Because of the publicity George Pillsbury received as someone who went public about his intention to give away his inherited wealth (publicity the Haymarket staff has encouraged in an attempt to get other wealthy young people to come out of the woodwork), he and the collective continually had to fight the tendency of the outside world to see Pillsbury as the focus of the foundation.

"We began our collectivization process with the discovery that a lot of decisions were getting made individually, due to a lack of good communication and structure and an unwillingness to deal with the existing power relations at Haymarket," the group wrote in a Haymarket newsletter. "The fact that George had been here the longest, was isolated by outsiders as the real power here, and was used to making decisions gave him undue power, and none of us, including him, was too comfortable."

"I feel really good about the way we've handled it," says Judy Sutphen. "We've listed all the things that were done in this office and then attributed different amounts of power to them. There's decision-making (fundraising,

writing the newsletter, communicating with the board); there's administrative work (taking care of the mail and keeping the books); and there's busywork (cleaning the office and buying supplies).

"Then we divided all three categories equally between us. Each person has an area where he or she's the major person responsible. It's important to Janet and me that our full role is acknowledged and that power within our own organization is evenly distributed."


Attention Workingmen!
GREAT
MASS-MEETING
TO-NIGHT, at 7.30 o'clock,
AT THE
HAYMARKET, Randolph St., Bet. Desplaines and Halsted.
Good Speakers will be present to denounce the latest atrocious act of the police, the shooting of our fellow-workmen yesterday afternoon.
Workingmen Arm Yourselves and Appear in Full Force!
THE EXECUTIVE COMMITTEE

The Bettman Archive

Learning of the disturbances at San Pedro [the great longshore strikes of 1923 led by the Industrial Workers of the World], Mr. [Upton] Sinclair announced that he intended to speak at Liberty Hill, on a small tract of privately owned land which had been rented for the occasion. On the night of the meeting, Liberty Hill was black with the massed figures of the strikers. Mounting a platform illuminated by a lantern, Mr. Sinclair proceeded to read Article One of the Constitution of the United States and was promptly arrested. Prince Hopkins then stepped on the platform and stated, "We have not come here to incite to violence," and was immediately arrested. Hugh Hardyman then announced, "This is a most delightful climate," and was promptly arrested. For eighteen hours these four men were held incommunicado while their lawyer . . . tried frantically to discover where they were being held. He finally succeeded in serving a writ of habeas corpus and the next day they were all released. A few days later, all but 28 of the 600 strikers in jail were released and, in effect, the strike had been won.

(Excerpted from *Southern California: An Island on the Land* by Carey McWilliams, © 1973, Peregrine Smith, Inc., Salt Lake City, Utah.)

Liberty Hill staff (left to right): Sarah Pillsbury, Jane Gordon, Mary Jo von Mach.

The Liberty Hill Foundation

Liberty Hill Foundation, younger than Haymarket and Vanguard, began giving money away in the Los Angeles area late in 1976. Fifteen donors pooled $120,000 for the first year's funding.

Sarah Pillsbury (George's sister), who had moved to Los Angeles to go to film school, got together with a few wealthy friends to do the initial fundraising. The work of contacting Los Angeles community groups and setting up the Liberty Hill structure was done by Mary Jo von Mach, an experienced organizer and researcher whom Sarah had met before moving West. Sarah dropped out of film school for one semester to raise funds for the Foundation's first year. She now continues fundraising part-time, along with her film work.

The Foundation's organization differs from Haymarket and Vanguard in that a salaried staffer was hired right at the start. "I think Liberty Hill will be duplicated more easily than either Vanguard or Haymarket," says Mary Jo. "It doesn't require that a wealthy person take three years off from her or his life to do it. Of course, initial overhead will be higher because someone needs to be hired. That has to be accepted. And donors will still have to put in time to fundraise.

and a film on occupational health and safety.

The Foundation recently decided to incorporate a hard cash fund, similar to Haymarket's Rank and File account, to fund groups doing work which might not fall within the IRS requirements for tax-exempt organizations.

The structure of Liberty Hill also includes the Donor Group, composed of all contributors who wish to be actively involved with the Foundation. In addition to choosing two of their members to serve on the Community Funding Board, the donors meet bimonthly to discuss Liberty Hill's activities, to learn more about organizing in Los Angeles, and to talk to one another about the personal issues associated with having wealth.

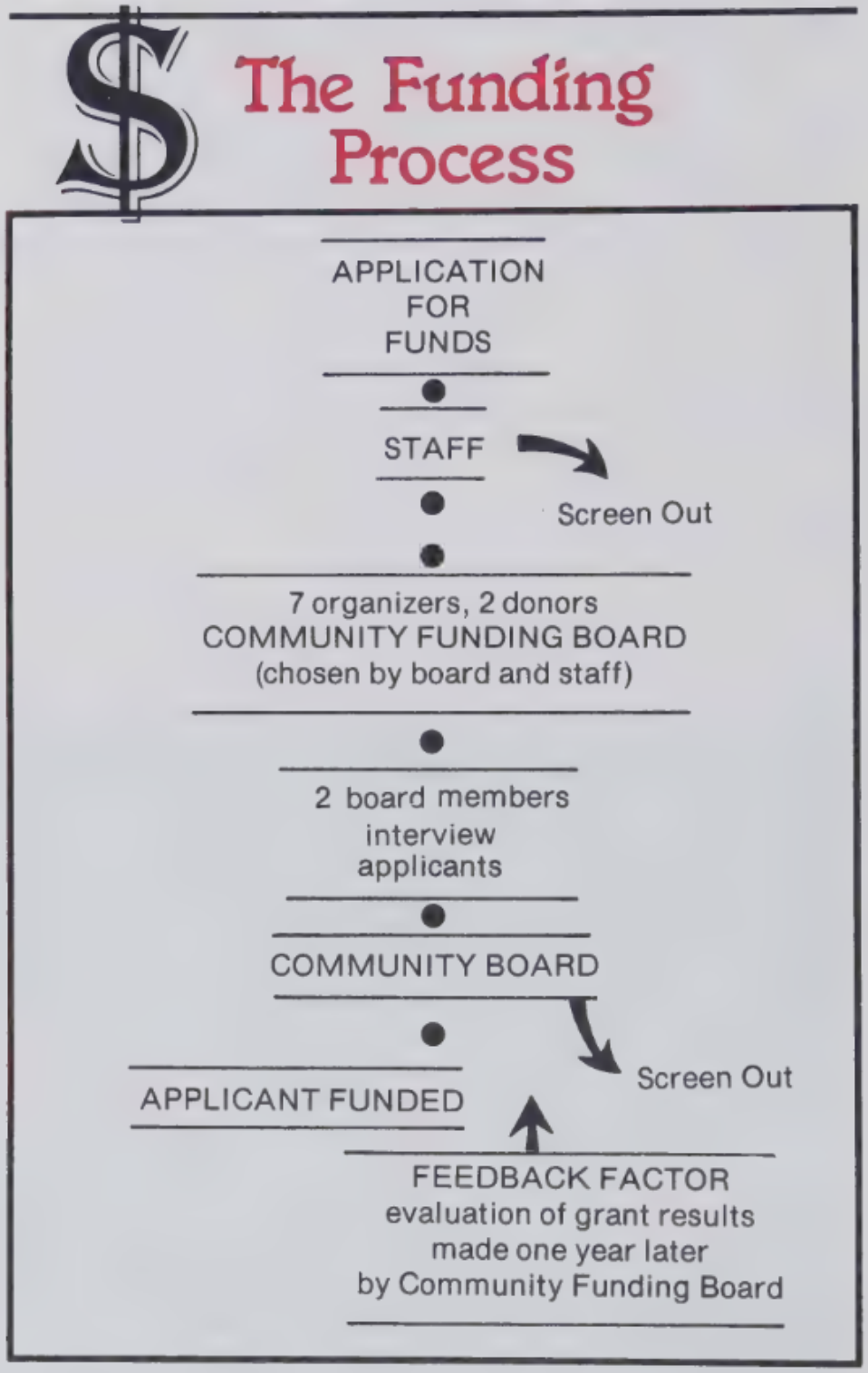
Liberty Hill publishes a newsletter every other month which includes grant lists, articles from board members on projects they're involved with, and other articles the

More and more women are becoming the wage earner in their households—in families where traditional roles are reversed and fathers stay home with the children, in families where both parents work, or in single parent families. Groups such as the Echo Park/Silverlake People's Child Care Center in Southern California have formed to provide child care in their communities, and to organize parents to pressure for publicly funded centers.

"I did a lot in the women's movement. I wasn't just a lowly person. I was a speaker, too. I confused a lot of people because there seemed to be so much power coming at them. It would turn some off and others on, both for the wrong reasons.

"The women's movement addressed my problems. I knew that it affected me, and I knew that if things changed, life would be different for me. But I didn't deal well with the money. It just flowed out. I made huge mistakes with it, giving it to people who were in one way or another using me.

"I've learned that if you have money, you make painful and slow mistakes in the process of lending it out, or you have an adviser you hire to do it for you. Those are the choices."



Funding decisions are made three times a year. Liberty Hill grants range from $500 to $4000.

staff feels will be of interest to community groups and the Foundation's supporters.

Liberty Hill and Haymarket's funding guidelines specify that grants are to be made to organizing groups opposed to racism and sexism; Liberty Hill's guidelines also include "anti-gay attitudes" as among those the Foundation would like to change to create a more human world. One member of the Community Funding Board identifies herself as gay.

The Foundation operates out of a counterculture church in Santa Monica, a mixed working- and middle-class neighborhood, and has had to adapt to Los Angeles' unique lifestyle. "If we had a drop-in center like Haymarket's, nobody would drop in," explains Mary Jo. "This is Los Angeles. Who's going to drive 30 miles to drop in?"

It's Not the Bus

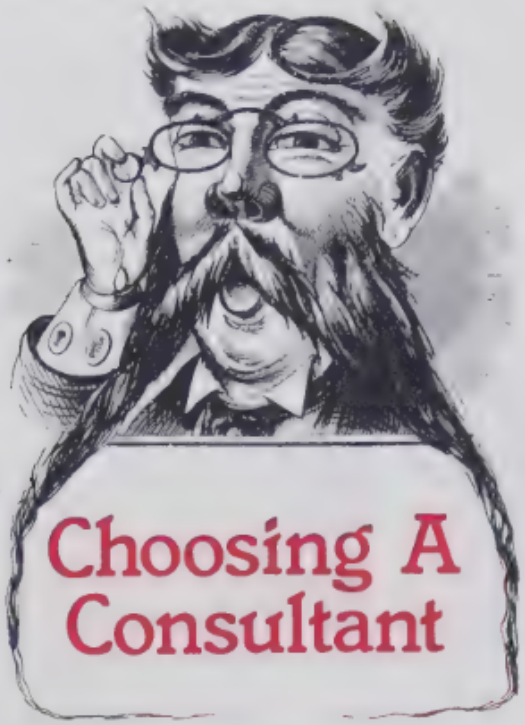
'50's Philanthropic Fantasy—Representing an "anonymous benefactor," Marvin Miller gave away a million dollars daily, Monday through Friday, on network TV's soap-opera version of philanthropy, "The Millionaire."

Other Ways of Doing It

The foundations described in the preceding chapters may provide useful philanthropic outlets for people who live near them. They may also serve as models for similar organizations in other parts of the country. But for various reasons, setting up or joining a Liberty Hill or Haymarket or Vanguard may not be the right thing for you. You may live in an isolated part of the country. You may want to have more control over where your money goes. Or you may have some special area of interest into which you want to funnel most of your money. So here are some alternatives:

• Give your money away directly, as an individual. Just sit down and start writing checks. You might want to give to large national causes like the Fund for Investigative Journalism, Environmentalists for Full Employment, or the Scientists' Institute for Public Information. Or you may prefer giving to local community groups.

• Set up a special fund within an existing foundation. You can retain control of the destination of your funds, but the check won't have your name on it and you can preserve your anonymity if you wish. In some cases, the foundation



Choosing A Consultant

If you decide that you do want to work with a consultant, there are several points you should consider. An established, professional consultant who agrees with and understands your concerns with social change giving offers the security of a track record in the field, and you can be fairly confident that she or he will be able to handle the job effectively. You might want to establish an informal relationship with an individual who is not a professional consultant, or hire someone on a full- or part-time basis to set up an office, interview, research, and weed out applicants, and even to make grant decisions. If you do, consider the questions on the next page.

staff may provide some research and grant suggestions (they will probably expect a separate donation to cover their costs). In New York, for example, the Stern Fund and Joint Foundation Support provide this type of service.

• Set up a "Fund" with a separate checking account and Post Office box. Legally, this is a "fictitious name" under which you carry out your individual funding activities. In this case, you need only meet the IRS reporting requirements for individuals rather than those for foundations, which are much more complex. Contact your lawyer for legal filing requirements.

• • •

This might sound like a lot of work. You're right—it is. Giving your money away involves research and paperwork, not to mention a working knowledge of the IRS Code. Whatever alternative you choose, you should seriously consider hiring a consultant.

A consultant provides a buffer between you and your money-giving. She or he can protect your privacy, save you time, and keep you from being publicly identified with your money if that's what you want. The consultant can investigate and advise you on individual grants—or be, in effect, a part-time staff person for a small family foundation.

There are many different types of consultants. Yours might be a trusted personal friend, a professional person who has several philanthropist clients, or a consulting organization. Ask yourself what kind of relationship you want to have with a consultant—how much of the paperwork and investigation and other details do you want to handle yourself? Do you want to interview potential applicants, or would you rather the consultant do that job? Some people even prefer that the consultant make the grant decisions. The type of consultancy you select will be

at least partially determined by the amount of money you want to give away, as well as by the sizes of the grants you wish to make.

Effective consultant-philanthropist relationships come in many forms. For example, David Hunter, Executive Director of the Stern Fund and the Ottinger Foundation — two small progressive foundations granting roughly $1 million a year combined — has probably been a consultant to progressive philanthropists for as long as anyone. He sits in a small office whose style (two rooms in a Manhattan skyscraper; secretary in outer office) is quite different from that of the alternative foundations. But the substance of the work — getting money to social change groups — is very much the same.

Hunter, a hearty, energetic man in his early sixties with impeccable Establishment credentials (the Ford Foundation, the UN Refugee Program) acted as a sort of political godfather to Vanguard and Liberty Hill as they were formed. His wide range of contacts has put him near the center of the network that connects radicals with inherited wealth, small and/or open-minded foundations, community organizing projects, and public-interest groups. Recently, he has taken on an additional role: he serves as consultant to several individuals with inherited wealth, researching possible grant recipients and then advising his clients where to donate their money. He often travels around the country to visit organizing projects in person before making his recommendations.

A major part of Hunter's job is serving as a buffer between his clients and grant applicants. "I can take the heat off and provide an added perspective. People can say, 'I don't have time, go see Hunter,' and that's a relief. I can be a bastard too. I can say no for people."

Some of Hunter's clients are public about their role as philanthropists; others are anonymous. Some of them

Choosing A Consultant

- Hiring someone full-time usually only makes sense if you have $50,000 or $100,000 a year to give away; otherwise, the overhead costs will be far beyond the normal range of 5 to 15 percent. How much time will a consultant have to put in to accomplish your giving program?

- How well do you know her or him? Have you worked together before? Do you feel comfortable together? How well do the two of you resolve conflicts?

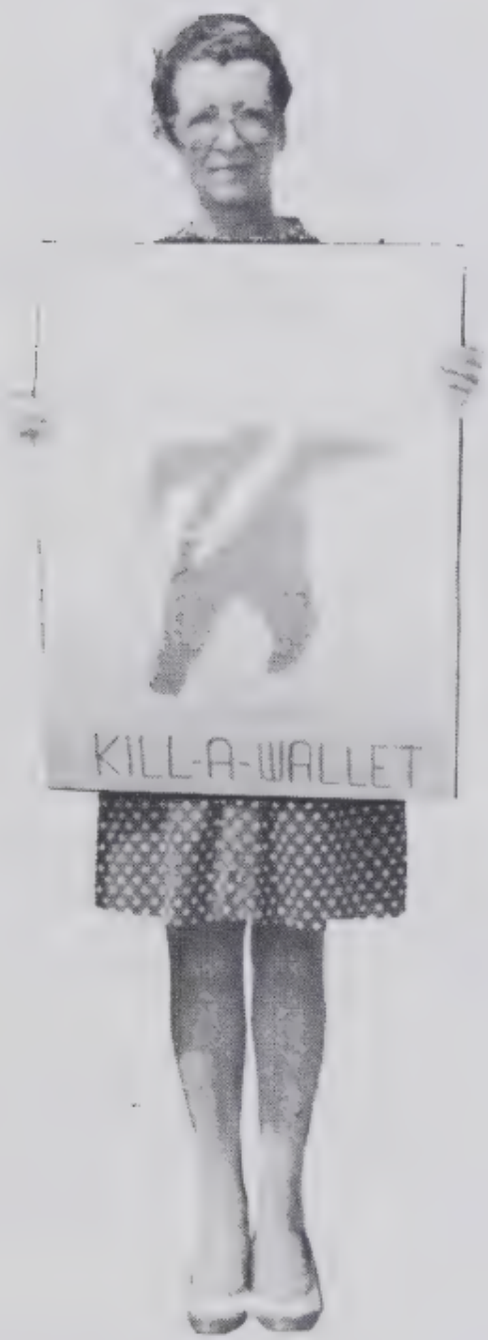
- Do you trust this person to keep secrets for a long time? Forever?

- Do you share similar politics and an interest in social change giving? Will the job further your consultant's own goals for effective social change?

- What are the motivations of your consultant? Will she be able to deal well with the power that comes with disposing of money? Is she hard-headed and not overly impressed by money and rich people?

- Does your consultant know something about the social change area in which you are interested? Has she worked in that area before? Is she too closely linked with a particular segment of the community?

- Is your consultant sensitive and relatively open to disenfranchised people, women, Third World people, gays?



ACORN member protests Arkansas Power and Light rate increases.

make grants through a special fund of the New York Community Trust. This procedure safeguards tax exemptions and insures anonymity to clients who wish it.

Hunter thinks that most people not involved in a donor collective or a community-based foundation are better off hiring a consultant. "It doesn't matter that they surrender their autonomy," he says. "They need someone to talk back and forth with, on a confidential basis."

Through David Hunter, clients have funded projects as diverse as the campaign of steelworker Ed Sadlowski for the presidency of his union; a book about television's damaging effects on society; ACORN, a broad-based Arkansas community organization pushing for lower utility rates and a variety of other citizen control goals; and a myriad of legal projects, research groups, and organizing efforts.

Although Hunter sometimes gets flack from leftists about his Establishment connections, he believes that they are an important part of his job; he is making radical projects philanthropically fashionable. The Stern Fund has no qualms about being the first to invest in some institutional change activity, even if the risk is high. Because of this, it has often found itself in the role of icebreaker: other foundations have frequently followed its lead.

Hunter's consultancy setup is best for large donors, people who give away at least $50,000 each year. But there are many consultants set up to work with donors who give less, and there are many more casual alternatives:

• Like David Hunter, Drummond Pike, Staff Director of San Francisco's Shalan Foundation, has a few regular clients. Pike also acts as a consultant to a number of donors who wish to give away a lump sum on a one-shot basis. He charges 8-10 percent of his client's total

funding, meets with them every two months for an all-day session on grant decisions, and has the discretion to research grants and make small ones when the need arises.

• Another example of a donor/consultant relationship: Suzanne (not her real name) is sixty-three and became involved in social change causes through the Vietnam war resistance. She gives away money both through personal checks and, when necessary, through a foundation she has set up.

Suzanne lives in rural Idaho and has neither the time nor the interest to research social change groups. Instead, she leaves that work to Paul, a thirty-three-year-old accountant in Los Angeles who receives proposals and meets with her four times a year with his recommendations. "She may increase or decrease the grant, or fund something I don't think is cost-effective, but she takes about 80 percent of my recommendations," he says.

Paul doesn't usually charge Suzanne for his services;

ACORN (Association of Community Organizations for Reform Now) members protest Arkansas Power and Light rate increases. ACORN is a growing multi-issue grassroots organization with 10,000 dues-paying members in ten states. ACORN's accomplishments include lower-cost generic drug prescriptions, lower utility and telephone rates, anti-redlining ordinances, and fairer property taxes.

"I've always felt a bit strange about having inherited money, and I think because of this I've developed sort of a block about dealing with the paperwork involved. The family accountant sends me stuff to sign, and I sign it without reading it. The lawyer explains stuff to me and it seems to go in one ear and out the other. Sometimes I think I've heard the same stuff explained half a dozen times over the years: taxes, wills, trusts, decisions they want me to make. It's almost like dealing with stuff in a foreign language. I try to make myself concentrate—and I'm reasonably smart about numbers and stuff like that, too—but somehow I think that block is going to be there until I really get my head together about what to do with all the money."

he devotes only about two days a month to his work for her, relying heavily on recommendations from other people in the social change funding network. But she paid him a $400-a-month stipend one year when he was out of work and picked up some medical bills for him another year. Paul says that not being paid increases the equality of their relationship.

• One person with inherited wealth hired a law school friend to set up a foundation. Neither of them had had any experience with giving away money before, but they trusted each other and shared a similar view of how money could best be used to support social change. The collaboration worked beautifully, and they became even closer friends. When she moved to a different job two years later, he asked her to join the board as the only nonfamily member.

• Another woman set up a collective of friends and fellow activists to help her make grants. Under the arrangement she turns over the decisions on donations to the group, although she remains an active voting member.

• In some cases a group, rather than an individual, serves the function of consultant most effectively. Joint Foundation Support in New York, currently administered by Pat Hewitt, acts as a social change funding consultant to seven different foundations and individuals. While most of the client foundations give the bulk of their funds to traditional causes, they have chosen to allocate a percentage to JFS for more adventurous and experimental projects. Hewitt travels extensively to do her evaluations of groups—all the way from the Appalachian Film Workshop in the eastern Kentucky mountains to Women Organized for Employment in San Francisco.

• Still another way to give money effectively is to give it to an umbrella organization which specializes in funding particular areas. An excellent example is the

Youth Project, which gives technical assistance and money to grassroots projects throughout the country. Concentrating on organizing efforts, the Youth Project identifies organizations striving for self-determination in communities which are traditionally dominated by unresponsive forces. Much of its work has been done in Native American, Black, and low-income communities, in rural areas, and with women's groups. A public charity, the Youth Project has offices in Washington, D.C. and regional offices in San Francisco and Atlanta.

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Now that you've read this far, you may find your decision has been made—perhaps one of the existing progressive foundations sounds right to you, or you've decided to go the consultancy route. But if none of these alternatives seems right, consider the one we spell out in the next chapter: setting up your own foundation.

The Bettman Archive

Women workers (such as this one in a World War II munitions factory) are the subject of a film, "Overworked and Underpaid: Histories of American Working Women," funded in part by the Youth Project. The film focuses on the past efforts of women who have organized to improve working conditions for all women.

Curtis Schreier

Setting Up Your Own Foundation

So you've decided to take the big step. You've decided how much of your income you want to give away and what sort of things you want to give it to. You've decided for one reason or another not to join an existing foundation or to turn your money over to a consultant to give away. You want to set up the Robin Hood Foundation. What do you do?

First of all, we urge you to get in touch with one or all of the three foundations described in Chapters 3, 4, and 5. They all started from scratch and have helped other foundations do the same.

Then you have to figure out whether you want to set out on your own or in collaboration with other donors. If you're doing it with others, talk to them and see how much cash your group is willing to put up for the first year. If you're going to do all the paperwork necessary to set up a foundation, this probably ought to amount to at least $10,000. (Although, incredibly, Vanguard began with seven people each kicking in $200.)

More than money, prepare to spend time and energy. The initial work at Haymarket and Vanguard was done by unpaid donor volunteers. At Liberty Hill,

The Coalition for the Medical Rights of Women pressures California government agencies and the medical industry on women's health issues. They have won more stringent government regulations governing intra-uterine devices (IUD's). The Coalition works on a number of other women's health issues, which include upgrading pap smear testing, informed consent for surgical sterilizations, and lessening the number of unnecessary hysterectomies.

Coalition for the MEDICAL RIGHTS of WOMEN

donors hired a paid staff person at the beginning. Hiring someone is well worth considering if you don't have a competent volunteer with time and talent—and if you estimate your first year's grants to be at least four or five times the staff person's full-time or part-time salary. Whoever does the work has to be able to relate well to both donors and activists.

The immediate things you'll need are obvious: work space (your bedroom might be fine for a start, but not when phones start ringing), a letterhead, perhaps a prospectus to tell the world what you want to do.

Figure out who you want your board of directors to be. Donors? Community people? Some of each? People with some expertise in whatever is to be your foundation's particular area of interest? It's important for you and the other founders to be clear about your intentions—long range and short range—at the beginning (see Chapter 8). There is no better recipe for disaster than to be fuzzy about who is to run your foundation and what it is to do.

At this point you'll want to see a good tax lawyer. You need Internal Revenue Service approval to set up a foundation. There are more than a dozen different legal categories of foundations; a good lawyer can tell you what's best for your purpose and draw up the necessary papers.

With this behind you, you should be ready to proceed with the business at hand—giving away money. Here are some suggestions:

FINDING APPLICANTS FOR FUNDING

• *Get to know the local social change community.* You should consider doing this even before you announce that you're going to be giving money away. There is a network of social change activists and organizations in every major city; the key is getting plugged in.

• *Contact local foundation staff and directors.* Find

out what isn't getting funded. Staff are often more liberal than the boards they represent. Ask them who is funding in the social change area and how to get in touch with other rich individuals and foundations. You might underplay the amount of money you intend to give away; it frequently gets exaggerated in people's minds anyway.

• *Contact people who are likely to know about local social change activity*—your local Friends (Quakers) meeting; pastors of churches and community leaders in Black, Chicano, Asian, and white ethnic neighborhoods; leaders of activist student groups at the local university; visible women's groups; leaders of the gay community. Attend public gatherings about an issue you're interested in.

• *If you live in a remote area*, try calling social change activists or foundations in the nearest big city and ask if they have any contacts out your way.

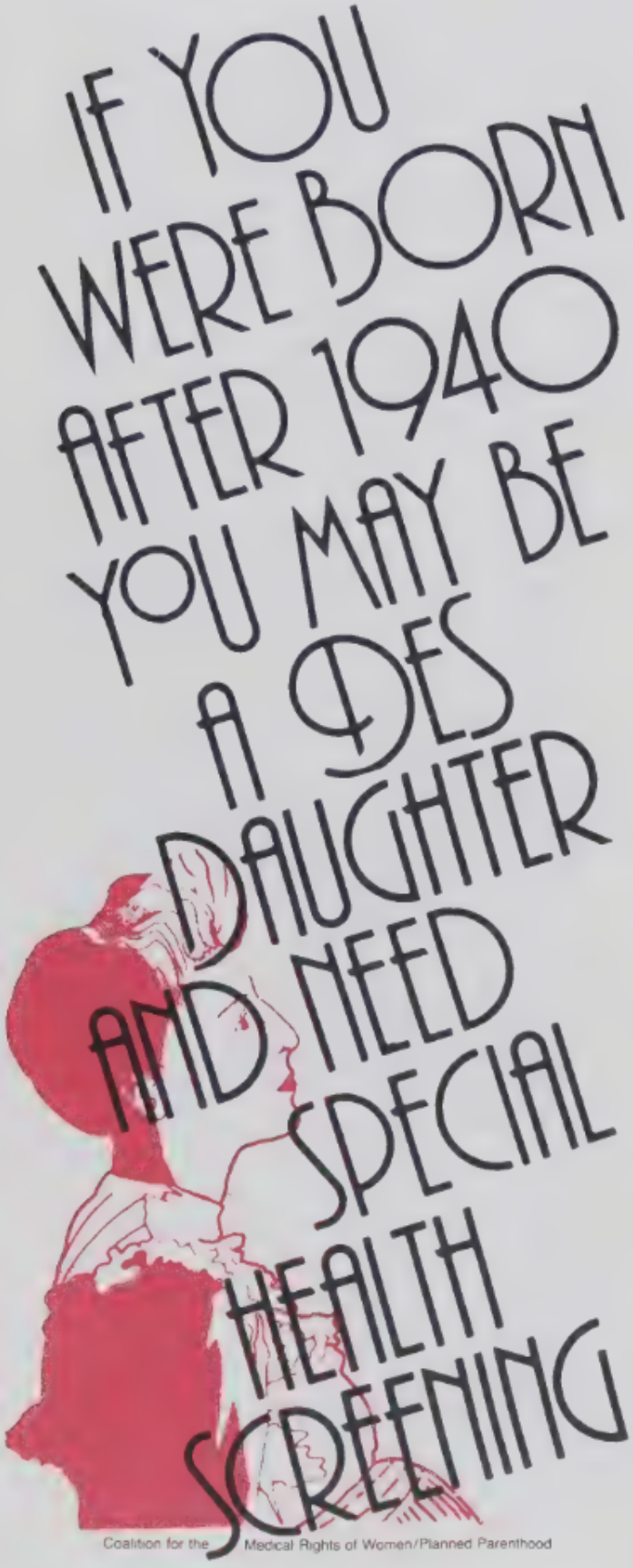
• *Look for someone who knows about local social change activities* but isn't potentially interested in a grant, such as a public-interest lawyer. Potential applicants might tend to turn you on to allies and steer you away from potential competitors.

• *Make sure your contact effort crosses racial, ethnic, and class lines*. Some very worthwhile community organizing takes place so deep in the grassroots that the people involved hardly know about the existence of foundation grants. Make sure you don't get involved in a single incestuous network. In a community where racial divisions are strict, this will mean making a separate contact effort in each different community.

"The older I get the more I see how pervasively having money has influenced me. I mean influenced me in ways I never thought about when I started going public about having money; at that point the only influence I acknowledged was that it put the strain of being very secretive on me all the time. But there are really all sorts of other ways. Like I've always been proud of being very laid back. I don't get hot under the collar in meetings. I don't usually get all embroiled in office politics, and so on. But now I see that a lot of that comes from the expectation that I'll always get my way because I can buy it. A rich person doesn't need to be a scrappy in-fighter. And so you don't learn those skills in rich families. Lately I've been working in a very competitive setting, where having money doesn't give me any leg up at all. But I feel I've had to learn in my twenties and thirties those competitive skills which most people learn in their childhood."

CHOOSING YOUR FUNDING GUIDELINES

How can you get the greatest institutional change for your dollar? It's not as simple as buying the best


IF YOU WERE BORN AFTER 1940 YOU MAY BE A DES DAUGHTER AND NEED SPECIAL HEALTH SCREENING
Coalition for the Medical Rights of Women/Planned Parenthood

dishwashing detergent; some changes are slow and hard to measure. But consider these questions:

• What are local foundations already funding? What are they ignoring? What projects can't get conventional funding?

• How big will your grants be? Are you avoiding the trap that far too many donors fall into, of giving many small (and possibly less effective) donations because it means saying "no" to fewer people?

• Are you avoiding Band-Aid philanthropy? Is answering what seems to be the most urgent need of the moment—food and clothing for eviction victims, bail bonds and legal defense funds in political cases—the most cost-effective use of your money?

Here are the funding guidelines of the Vanguard Foundation: "We seek projects which are either actively fighting for specific changes in established institutions or are creating new, more responsive models . . . . Groups which qualify for money from established foundations or government sources are not funded."

The final report of the DJB Foundation (an organization which funded a high proportion of Movement activities in the late '60s and early '70s and which has now given all its money away) states: "We believed that real change must come from the roots of American society. As middle-aged, liberal Americans, we had seen enough history to realize that any change from the top was likely to be paternalized or token, and seldom designed really to lead toward independence. So we have concentrated on aid to small groups organizing to help themselves and their neighbors and to resist the twin juggernauts of official and corporate power. DJB grants thus gravitated toward ghettos and barrios in the city and toward neglected communities in rural areas."

BASIC DECISION-MAKING

Good grant-making decisions are based on a curious combination of intuition and factual information. Nobody is right all the time; mistakes will help you sharpen your perceptions so you can do better next time. Meanwhile, here are some rules of thumb:

• Check out your intuitions. If you're uneasy about a group's ability to work together, its trustworthiness, or its commitment, chances are that something is going on that you're picking up on. Keep going until you get the information you need to figure out if your intuition is correct, or if it's just an expression of your unfamiliarity with the group.

• Get the information you need. If you don't understand the importance of an issue or its political connection to other problems, don't be afraid to ask.

• Check with a couple of other groups working in the same field. Or ask the group who you can contact for another view of their work.

• Don't feel guilty if you have to ask an embarrassing question. Some groups on the left will try to guilt-trip you into supporting them by implying that you're selling out, following your class interest, or whatever if you don't give them a grant. Guilt is a philanthropist's biggest hangup—and it's always a bad motivation for doing anything. Read Tom Wolfe's marvelous *Radical Chic and Mau-Mauing the Flak Catchers* (Farrar, Straus and Giroux, 1970) as preventive medicine.

• Don't let yourself be rushed. If there is a tremendous hurry and you are the only way to save a project, chances are that disorganization or bad planning created that emergency in the first place.

Once you've decided the area or areas you want to fund and you've hired a consultant, or opened an office, or

"I remember at one of these meetings of this group I belong to, where people with inherited wealth talk about how they deal with it, one guy said something that set everybody in the room nodding. He said, 'Sometimes I feel as if everything I've done in my life has been a hobby.' I think that's the crux of it right there, what money does to most people who have it. It takes away a certain drive. I don't mean that people with money—young, progressive types—just loll around on beaches all day. No, they work. But you look closely and you see they tend to work part-time, or split their energy between several different things, or flit from one job to another, or go to school for years and years. I think our whole society is geared so totally around trying to make money that it really takes someone who has their head totally together to be able to work absolutely full steam when they don't need the money. I mean work with the same drive and energy and ambition as someone would who is poor and for whom that job is the only possible path to success. A rich person always secretly expects that success is going to drop down on him or her from the sky, without any effort required, the way the money did."

Neil Miller

Poor People's Radio (KPOO-FM) is a listener-sponsored, nonprofit radio station whose board, staff, and programming represent San Francisco's Third World and low-income communities. Although working toward self-sufficiency, many groups whose constituency is low-income require some support from private sources to continue their programs.

let it be known that you plan to give away money, set up a screening procedure. Stick to it: it allows you to cope with the avalanche of applications. And there will be an avalanche.

For example, Vanguard asks for detailed written proposals first, screens them at an initial board meeting, and then sets up interviews for those projects that have a chance of being funded.

There is a subtle set of questions which you may not be able to ask a group directly but which you should have clear answers to before you give away money. When the People's Liberation Project comes to you for money, here are some things to have in mind:

• What other groups are working in the same area? What makes PLP, instead of some other group, the right one to fund?

• Where else are they going for funding? What will they do if they don't get your grant? If they are due for $100,000 from the Ford Foundation, you should have second thoughts. If they already have $20,000, how much difference is your $2,000 going to make? Likewise, you should have second thoughts if your grant is PLP's sole source of income—this would be a very unhealthy situation. Your funding will not make or break a group unless there is a serious flaw in its organization or purpose. It may need to learn how to handle funds better rather than be rescued by you.

• Is the goal realistic? Or should it be more specific than "liberating all peoples everywhere"? Exaggerated goals frequently reveal an inadequate appraisal of the situation.

• Is the budget realistic? Can it accomplish the goal? Can somebody in the group keep the books and keep a tight rein on the purse strings?

• What proportion of the grant will go for salaries?

Are these reasonable? What about that $30,000 a year for the chief organizer? Are you sure the project has not merely been cooked up as a means for someone to get himself or herself an interesting job for a year?

• What is the decision-making structure? How sensitive are the leaders to the non-leaders? Can the leaders be recalled or challenged by the non-leaders if they are not responsible?

• What palpable signs are there that the community supports the project? Are there large numbers of volunteers involved? Are they capable of turning out a large group for a demonstration? Have they been able to raise some grassroots money, gather signatures, or whatever?

• Has PLP thoroughly explored *all* possible sources of other funding? Membership dues, door-to-door canvassing, other foundations and donors? Should you consider giving a matching grant?

• Are the leaders part of the community they serve? (It's not always bad if they are "outside agitators"; however, you should know the exact situation.)

This kind of check list will minimize your mistakes. Vanguard's Obie Benz says, "In our early days we made a couple of grants that we wouldn't make again. One went to the Good Earth Communes, a large network of communal houses and projects in the Haight-Ashbury. They were involved in a lot of interesting things: a recycling center, a food conspiracy, a police-community relations project. We gave them $2,000 to keep going. In retrospect, not much happened differently because of our money.

"We also gave money to a study to determine the causes of deaths of prisoners and recently released prisoners at the local county jail. The study was supposed to help convince the local government to allocate more money to the jail by showing that an abnormally large

"Guilt is not a very positive motivator. But I find that it is at the heart of what motivates me. My enlightened self-interest is to bring about a better society, but guilt is there too. I've tried to get on top of it in the past year. I'm not responsible for the sins of my forefathers, for how the money was made, I was just born. But I do think I am responsible for the future, for what I choose to do with it. I do think it's wrong that a person should have access to that much of the fruits of other people's labor. As long as I keep the money, I'm probably going to feel guilty about it.

"I remember when I was a little kid, getting dressed up in a suit when we were going to a restaurant and seeing poor people on the street and feeling guilty. I always felt vaguely embarrassed when I had poorer friends come over to my house. I was always embarrassed by extravagance."

number of prisoners died soon after leaving jail.

"The proposal was presented by a group of local radical political heavies, including the new sheriff, who impressed us very much. But they weren't the people who actually worked on the study; we never met them.

"The study took two years to complete, rather than the four months we originally expected. As it turned out, the number of post-prison deaths wasn't remarkable, so the study was useless. The grant taught us not to be overly dazzled by people. Just because you're a heavy or can articulate a project well doesn't mean you'll make a good manager."

Giving money is a delicate process. It's never the key to getting something done. An infusion of money at the right time can give an important boost to a project or a movement, but it can't create a lasting political force by itself.

Paradoxically, too much money at the wrong time can actually hurt a grantee. If you are funding a new group that's just getting started, try giving a small grant for expenses for a limited time period—perhaps six months—and then see how the group does. A big windfall before the group has shaken down its decision-making process and chosen its leaders can rip things apart. Power struggles and jealousies can erupt over the money, interfering with the project. Vanguard started out by granting up to $2,000. As the Foundation board has become more confident, grant sizes have gone up and now range from $1,000 to $10,000.

Many large foundations attach strings to their grants. These conditions range from changing the name of the project to pressuring the grantee to hire a particular person or alter its way of achieving its goal. If you are funding projects to increase people's self-determination, it is contradictory to attach strings like this. Besides, it can foul up your relationships with people no end.

Of course, if there's something about a project that you don't like—if its organizers need to improve sloppy bookkeeping or improve their fundraising—say so . . . after you've made the grant.

GRANT AGREEMENTS

Individual donors are not required to watchdog the organizations which receive grants; private foundations and public charities are. When your foundation makes a grant, have an officer, director, or trustee of the recipient organization sign a *grant agreement* (see page 68) which lays out the grantee's responsibilities to you under the law. Have your recipient sign the grant agreement before receiving the check; you'll spend a lot less time chasing down paperwork that way.

FOLLOW-UP

If you are giving money as an individual, you do not legally have to follow up on what the applicant does with your donation. But if you are systematically giving away money, you probably should anyway, so you can check out your perceptions, improve your judgment, and discover how difficult it is to create solid, lasting change. If you have organized a foundation, the law requires that you get a report from your grantees every 12 months until the money is gone.

In either case, establish your follow-up requirements clearly at the time you make the grant. Ask the people to write you a short letter at the end of the year or as soon as the grant is used up, whichever comes sooner. The letter should cover the following points:

- What are the goals of the project? ("Improve housing and educate about the role of landlords.")
- How was the money spent? (Your grantee should keep a separate accounting of expenses charged against

Jay Moss

Sample Grant Agreement

On _____, Robin Hood Foundation (Grantor) granted to _____(Grantee) the amount of $_____, payable _____, for purposes stated in the cover letter accompanying this Agreement. Grantee agrees and consents to the following conditions of the grant:

1. Grantee shall use the grant solely for the purposes stated in the accompanying cover letter, and Grantee shall repay to Grantor any portion of the amount granted which is not used for the purposes of the grant.

2. Within three months after the end of Grantee's annual accounting period, Grantee shall submit a report to Grantor. Such report shall describe the progress that Grantee has made toward achieving the purposes for which this grant was made and shall detail all expenditures made from the granted funds. If Grantee expends the granted funds over a period longer than one year from this date, Grantee shall submit such reports, as described above, annually upon the anniversary date of this grant until the funds have been exhausted, at which time Grantee shall submit a final report.

3. Grantee shall show these grant funds separately on its books. All expenditures made in furtherance of the purposes of the grant shall be charged off against the grant and shall appear on those books. Grantee shall keep records to substantiate such expenditures. Grantee shall make such books and records available to the Grantor at reasonable times. Grantee shall keep copies of all books and records and all reports to Grantor for at least four years after completion of the use of the grant funds.

4. Grantee shall not use any portion of the funds granted herein to carry on propaganda or otherwise to attempt to influence specific legislation, either by direct or grassroots lobbying, nor to carry on directly or indirectly a voter registration drive, nor to make grants to individuals on a non-objective basis, nor to use the funds for any non-charitable or non-educational purposes.

5. If this grant is made for the purchase of capital equipment or for endowment, Grantee shall submit reports to the Grantor for this taxable year and for Grantee's two succeeding taxable years describing the use of the principal and income (if any) derived from the granted funds.

IN WITNESS WHEREOF, this Grant Agreement is signed this _____ day of _____, _____.

_____
(Grantee)

By _____
(Officer, Director, or Trustee of Grantee)

the grant: eg. "Paid salaries for two organizers.")

• How did the expenditures further the goals? What actions took place? How many people were involved? How many cases were handled? ("200 people received individual counseling; four rent strikes were organized, two of them successful.")

• Did the actions indirectly create any larger, systematic changes? ("City Council passed rent control law.")

Try to get clear answers to these questions, but don't ask people for reams of information or force people to waste a lot of time writing lengthy reports.

FAILURES

Not all your grants will be successes, we hope. If they are, you probably aren't being adventurous enough. Nobody expects every grant to succeed in eliminating poverty or ending oppression. Indeed, considering the powers at work against social change, the smallest victories should be applauded. Don't be too hard on yourself or your grantees; as long as you both are sincere and doing your best, you will learn to be more effective as time goes on.

If you find out that a project has failed, use the opportunity to check out your thinking. Was it overambitious? Did it have the money it needed to really do the job? Were the organizers people with good ideas but limited staying power? Would additional information have helped you make a better judgment?

FAILURES AND THE LAW

IRS regulations don't require that every foundation grant be a success. On the whole, the tax law requires only that you take reasonable measures to evaluate your applicants and that you have a reasonable expectation

"The thing really got out of hand and I felt like we were being pecked to death. People called all day and night. We were easier than most people, and people thought we were a soft touch and they could just call us and take advantage of us. It got to be too much; it got overwhelming. We became famous for the money. The very thing I dreaded most in my life happened.

"I didn't want to spend my life giving away money. I wanted to spend it painting. It took me a long time to realize that I was doing something I didn't like to do. The money thing just gradually shifted over to my husband's secretary. She does all the research. I don't get emotionally involved. We make grant decisions together. I trust her."

that they will fulfill their purposes. If you comply with the law and make the grant in good faith, you are not held responsible for a grantee who spends the money without your knowledge for improper purposes (influencing legislation or starting a business).

RELATIONS WITH THE REST OF THE FOUNDATION WORLD

More conservative foundations can give you a lot of good advice when you are first getting under way. After you've started making grants, it pays to keep up these relationships.

Elderly, Third World, and low-income renters form tenants groups which aid individuals in negotiating with landlords for fair rents, adequate maintenance, and other tenants' rights. Some tenants band together to bargain collectively with their landlord. Nationwide, many such tenants groups operate on shoestring budgets.

Jane Norling

Your success with adventurous funding can help reassure more conservative money sources that it can be done. You may want to act as an advocate with them for grantees who have produced good work. After these projects use up your "seed" grants of a few thousand dollars, they are often able to go to the more conservative funding sources, show what they've been able to do, and waltz away with $10,000 or more and really get moving. Or, you may fund some projects jointly.

You can also advocate more adventurous funding at foundation conferences and lunches. The Council on Foundations' annual meeting, held each spring, can be enlightening and fun. The three-day, 850-delegate bash is a study in the do-good Establishment. Six years ago, only four people from alternative foundations attended the meeting; last year, nearly 50 young foundation staff members and philanthropists mingled with people from more traditional foundations.

The key here is building friendly working relationships. You don't have to deprecate what the conservative groups are doing; just show them the importance of what *you* are doing.

Haymarket Boston Community Board (top): Sam Barnes, Ann Froines, Cheryl Abruzzese, Donna Karl; (bottom) David White, Walter Porter.

Community Funding Boards

When setting up an alternative foundation, a key decision you have to make is, of course, who decides where the money goes? If you and other wealthy people in your area are thinking of setting up something like Haymarket or Vanguard or Liberty Hill, this issue is something to think about as you proceed.

Until 1977, Vanguard's donors made all the decisions about where their money would go; Haymarket and Liberty Hill, on the other hand, involved non-rich community activists in the decision-making process from the start.

Both systems have advantages. "There's a real consciousness-raising aspect to Vanguard," explains board member Peter Stern. Vanguard's structure means donors actually visit projects that are asking for money. For someone whose life consisted of a New England prep school, summers in Europe, and an Ivy League college, that experience can have long-lasting effects. After you've seen cooperative food stores, a rent strike in action, and the housing conditions in San Francisco's Hunter's Point, you can never again quite believe that what's good for General Motors is good for the country. And that's one reason why Vanguard's organizers set their foundation up the way they did.

Also, the involvement of the donors in the decision-making process contributes to the vigor of the Foundation —for most of its donors Vanguard has become something much more than a place to which they write checks. New members learn from older members and often bring new perspectives to the board. Older members who reduce their degree of participation in pre-grant interviews are replaced by the new people.

But community funding boards also have advantages. Many donors who want to be completely anonymous (often because they are involved in social change activities themselves) and/or don't feel the money is "theirs" to decide what to do with, prefer to turn the decisions over to a community board. This way, they feel, they are not merely trading their money for a hand in determining the direction of social change movements. Also, they feel that community people are better able to make grant decisions because of their experience and their contacts.

George Pillsbury, the founder of Haymarket, firmly believes in community boards. But, he says, "We did not want or expect donors to give up all control (or interest) over where their money is going. And so, donors can not only contribute to the community people's fund, but give, through Haymarket, directly to the project or general area of their choice."

"The community board has been functioning for several years now," Pillsbury wrote. "And its record has been remarkably good. Though I and other donors have not agreed with every decision, we have all been impressed with the depth and fairness of the discussions of each application. . . .

"I don't see community funds as a single solution. I wouldn't say that anybody who wants to give away large sums of money should necessarily start out that way. But I

Liberty Hill Community Funding Board (top, left to right): Sarah Pillsbury, Dan Noyes, Sterling Delone, Cary Lowe; (bottom, left to right) Tim Brick, Joan Robins, Ruth Beaglehole.

would encourage input and participation of community activists. . . .

"Haymarket has turned over all funding decisions to a community board for a number of reasons:

"Sharing Control: Most Haymarket donors don't want to hold the power that money implies but to share it. We feel the money is ours in a very limited sense; it's really the fruit of the labor of a lot of working and poor people.

"Time: The process of giving away money has its educational and Santa Claus advantages. But we all have more important things to do than distribute the money fallen upon us by the lottery of the stork.

"Reaching the grassroots: Our community board has a lot of personal contacts with groups and is less likely to be ripped off. They also attract proposals from communities traditionally ignored because of their contacts there.

"Growth: Such a fund can easily move out eventually to provide other resources besides grants. It can also lay the foundation of a broad-based United Fund to include small and large donors alike."

Not all experiences with community boards have been successful; several have failed to attract enough donations or have fallen apart in factional disputes. But the lesson of Liberty Hill, Haymarket, and Vanguard seems to be that they can work, and work well, when the foundation organizers lay the groundwork with thoroughness, know the community well, select the initial board members with care, and have strong donor support for the idea.

No matter how you decide to set up your board—all donors; donors and community people; staff, community people, donors, etc.—be sure to clarify the details of its structure and exactly who has the authority to make decisions. How long are the board members' terms? Can they be re-elected? What proportion of donors, staff, and community people should be maintained, even as individuals change? Are all paid staff members to be included? If you ask and answer as many questions as you can before you start, there is less chance of confusion and misunderstandings once you are under way.

Michael Mayne

Vanguard Community Board members Jan Mirikitani, George Kelsey.

Michael Mayne

Vanguard Community Board members Kathy Fong, Catherine Angell, Yolanda Alcantar, Wade Hudson.

Sorry,
you don't fit
our funding
guidelines.

We've
allocated all
our money
for this year.

NYET
NEIN
NON
NO

We can only
fund 1 of 10
projects – our
resources are
limited.

My folks
won't
let me .

How to Say No

When someone asks for money, nothing is harder than saying no gracefully. The process of saying no puts you in touch with all those deep anxieties about having money in the first place. You think to yourself, "What right do I have to quash somebody's project?" And if that person is a friend, it's even more difficult. Probably no aspect of philanthropy causes as much guilt, embarrassment, evasion, and general discomfort as having to say no. If you're expecting this chapter to give you an easy method of turning people down, forget it. There isn't one.

However, we can give you one encouraging word on the subject: saying no becomes steadily easier the better you feel about what you're saying yes to. If you're sitting on a big pile of money and you say no to almost everyone who asks you for a chunk of it, of course you're going to feel bad. But if you've thought out your priorities clearly, have established a workable plan for regularly giving away 50 percent or 100 percent of your income each year and feel enthusiastic about the projects getting that money, we can guarantee that you'll find it vastly easier to say no when someone comes to you with something you don't want to fund.

Being told no is still hard, though, for the applicant for funds. "Fundraising is a real drag," one applicant wrote to Vanguard Foundation. "We have to take the time to draw up a proposal, get our credentials together, and then chase down funding sources, most of whom are like icebergs. And all the while it takes us away from what we should be doing."

Asking for money automatically puts the seeker in a one-down position to you, the giver. And this applies whether you are an individual or a foundation. The applicants come hat in hand to be judged worthy or unworthy; you hold all the cards. Often the fund seekers feel they must tell you what you want to hear to avoid offending you. But when the tables are turned and you step on their toes, they may be afraid to let you know it. After all, who knows when they'll want to come to you for money again?

To make it even more difficult, you need to know whether their group is what you want to fund. You have to ask some tough, evaluative questions to make sure the group can do what it says it can. How can you get the information you genuinely need without offending people?

Evening out this psychological inequity is one of the most difficult tasks you will face if you get directly involved in giving away money. Although the power differences can't be eliminated entirely, you can build honest, positive relationships with your grantees if you respect their validity and dignity.

Lay your cards on the table right at the start. Clearly and gently explain your goals and priorities to applicants. Instead of saying, "We (I) don't fund that kind of project," start off with, "Sounds interesting. But let me tell you something about the priorities we (I) have evolved." Then explain your funding criteria and your decision-making procedure, so they can see clearly why they are being turned down.

If the applicants' project does sound like something you might want to fund, first tell them about your funding interests, what you've given to in the past, what you're looking for now. Then let them know exactly what you need from them. A budget? Information on their other sources of money? A more detailed explanation of a segment of the program? Next, tell them exactly how you make decisions: a screening of written proposals, followed by interviews, then evaluations at quarterly board meetings, or however. It will help them to know why it will take four weeks, or four months, for a decision to be made.

What are their odds of getting funding? If you fund only one out of ten projects, say so. If they don't fit your interests, let them know, the sooner the better. Nonprofit groups often have to pull a person off a project to write up and hustle grant proposals, so don't waste their time by asking for a written proposal unless you're really interested. Just say, "I wouldn't be too hopeful about funding from us (me). We haven't funded any legal projects so far. Not because they aren't important—but we've decided to specialize in media projects instead."

Be consistent: develop a standard procedure and guidelines and try to stick to them. If someone demands special attention you don't think is justified, say so in a firm and businesslike way. "Sorry, we make it a practice not to interview applicants until after we see a written proposal. We've tried it too many times the other way, and it's been a waste of time for both of us." You may want to photocopy a one-page statement of guidelines and procedures to mail out to applicants.

TALKING TO A GROUP THAT NEEDS YOUR MONEY

Schedule interviews only with groups that you are seriously considering funding. One year, Vanguard had a

"The first time I ever gave away any money in a political way, I went to the Black Panther Party Headquarters in the Hill area of New Haven with $200 in cash. I didn't introduce myself, I just said, 'I figure you might be able to use a little of this.' It seems sort of bizarre now.

"I didn't take too long to develop into a source for funds. I was never able to say no. I never said no to anybody. Anybody who asked me could have gotten some money, but a lot of people didn't ask.

"I gave away money alone. I quickly found that I was even more alone. I was confused as to how to deal with the money, unable to say no, feeling guilty too often."

very unsatisfactory meeting with a women's group that many of the Vanguard members had already decided not to fund. As a result, the members' questions became increasingly skeptical and critical while the women from the group grew angrier and more defensive. At a follow-up session some weeks later to resolve the bad feelings from the first exchange, the women told Vanguard that they had not been given enough information about the purpose of the meeting and Vanguard's funding criteria.

If you've built up a lot of heavy criticisms you want to lay on some social change group in your community, that's fine, but don't use a funding interview as the occasion. That just accentuates conflicts and differences between you. Pick a more democratic forum, where everyone is on equal ground.

During a funding interview, ask only what you need to know. Ask everything you want to about the details of the operation, its goals, and the community it serves. Find out how this project fits into the organizers' vision for long-range social change. But stay away from personal questions and prying into the lifestyles or detailed political connections of the applicants. The pre-grant interview is a professional interaction. Its purpose is to provide you with the information you need to make the grant. It is not an inquisition, nor is it the beginning of a friendship.

One fundraiser complained to us, "The donors we find creepy are the ones who want to know our politics. Instead of asking us about our operation in a businesslike way, they want to be entertained. It's confusing: we don't know if we're on a personal level or a professional level. It feels like our politics or our personalities are being judged, not our operation."

You may have to ask tough questions to find out whether a project will be able to do something worth-

while. Although applicants sometimes find such questioning difficult, it does offer them a chance to rethink their project before getting in too deeply. If you have a real need to ask personal or sensitive questions, make sure you explain why you need the information. Acknowledge the power difference and the awkwardness of the inquiry.

During Vanguard's first year of operation, two veteran filmmakers asked for money to finish a film on the San Francisco County Jail. Their budget included professional-level salaries for themselves. When questioned about the need for high salaries, the applicants became quite angry. They were insulted that young wealthy people would have the nerve to question someone else's right to a decent income. They had families to support, they said, and throughout their careers they had sacrificed good salaries and donated their royalties to activist groups.

Peter Stern of Vanguard says, "I still think we were right to question the figures, but since then we have learned to make a qualifying statement before probing into personal matters. If we are going to ask about salaries, we first acknowledge the awkwardness of our questioning whether someone should need a certain amount. Then we explain how we try to understand each budget item to make sure it fits in with our criteria — that the total doesn't have any 'fat,' given the limits of our resources." It might also help to explain that you are weighing the project against several others whose organizers are getting subsistence wages.

Saying no is the acid test of your ability to keep the funding process human. Turning people down is extremely uncomfortable; the key is to learn to tolerate that discomfort and not let it force you into dealing with people coldly.

Rejecting people by phone is both more personal and less time-consuming than rejection by letter. If you do

decide to reject someone by mail, go beyond blanket excuses; explain your decision in specifics. They'll respect you for that. Always send a personal letter; form rejection letters are dehumanizing.

Let people know within a day or two of making your decision. Before you pick up the phone, think about the project and remember what you liked about it and then what decided you against funding it. After you make the call, let your applicants know right away that you've turned them down; don't hem and haw. "This is Robin Hood calling. I'm afraid I've got bad news; we've decided not to fund your project."

Then validate what the group is attempting to do; point out that specific parts are good and effective (unless you think the project is pure baloney). Then remind the applicants that you have to turn down more projects than you can fund, and repeat your funding criteria. Tell them what specific considerations led you to turn down their project. Your perceptions may help them rethink part of the project or help them in their next grant interview. If you feel vague or ambivalent about turning them down, tell them that, rather than making up a reason; they'll pick up on your vagueness anyway.

Stay on the phone. Listen to their reactions and objections. Answer the ones you feel you can; don't feel you have to have a comeback on every comment. Sometimes when you're uncomfortable, you'll want to get off the phone as fast as you can; resist that urge. People pick up on your ambivalence and resent it fiercely; they frequently feel you haven't really understood what they're doing in the first place — and they may be right.

Two final pieces of advice on no-saying:

• If you're reasonably sure in advance that you or your foundation doesn't want to fund a project, for whatever reason, don't make an appointment to see the

people. And try to discourage them from writing a proposal for you. An investment of time and energy in either of these things will make them still more disappointed at being told no. Many philanthropists weaken on this point, falsely thinking it's a courtesy to see the people anyway, and then waffle or postpone the inevitable no-saying.

• Don't give in—as all too many philanthropists do—to the temptation to give small grants to a large number of groups. If you honestly believe your money is best spent by spreading small chunks widely, that's fine. But usually that isn't the case. Giving a little here and a little there may make you feel good and help you avoid the pain of saying so many "no's," but it's seldom the shrewdest use of your money.

All of the above advice may sound plausible to follow if you're working with a foundation, but impossibly difficult if you're giving as an individual. The explanations, the phone calls, the detailed criteria . . . it's too complex and time-consuming. You wonder why you can't just give to groups you like and not bother talking to the others. Secretly, that's what most individual donors want, for it's nice to make grants and painful to have to turn people down. But unfortunately, unless you succeed in staying completely anonymous (see the next chapter), the two always go together. However, saying no is far easier to do when you are working as part of a foundation with set criteria than if you are a lone individual giver. That's another reason we recommend working either through a collective foundation or at least with a consultant (see Chapter Seven).

Investments: Socially Responsible and Otherwise

10.

Besides giving your income away to good causes, shouldn't you also invest your principal where it can do good? Or shouldn't you at least make sure your investment doesn't support companies that build neutron bombs, spill oil onto beaches, discriminate against Third World people and women, or support the South African government?

A number of Americans with inherited wealth have asked themselves these questions in recent years, and a much smaller number have tried to act on their concerns. These questions are difficult, and they have no easy answer. Opinions differ on whether or not socially responsible investments are worth bothering about, even among people who agree on where they want their profits to go.

Most of the donors at Liberty Hill, Haymarket, and Vanguard have concluded that the most effective use of their capital is to maximize income and get as much cash as possible to social change groups. In the long run, they feel, it is much more effective to devote your time to a careful choice of grantees than to the almost impossible task of trying to "clean up" your portfolio. The important

THERE ARE ONLY THREE THINGS TO DO WITH MONEY:

SPEND IT
INVEST IT OR
GIVE IT AWAY!

thing is not where your money comes from, but what you do with it.

These investors also feel that it really doesn't make much of a difference which stocks you hold. Ironically, the stock market is one of the few places in our highly monopolistic economy where we have anything resembling a free market. If you don't buy a stock because the company invests in South Africa, someone else will. Even if 80 percent of all investors stopped buying the stock for that reason, the stock's price would drop just enough to make it an attractive investment for the other 20 percent.

The point, the argument goes, is not whether a company's profits come from pollution-causing activities or from selling whole-grain bread. The profit itself is the problem. It is the embodiment of a system requiring haves and have nots; profit is money due to workers that is not paid in wages. Socially responsible investing assumes that companies can be pressured into ceasing to pollute, exploit people, or profit from the manufacture of harmful products. But doing these things is in the nature of capitalism, because there is money to be made by doing them. It is best to invest for maximum return and then use those profits to organize and educate for an alternative to capitalism.

• • •

Other people with inherited wealth, however, do feel that it is important to consider the source of their income, and they have worked to define just what is meant by "socially responsible investments." They believe that in order to be politically honest, you have to consider the source of your income, the societal cost of your pocketbook. You may prefer to divorce yourself from the source of your income for personal reasons; certainly for many people the process of differentiating their self-worth from

their financial worth is a necessary, if difficult, part of growing up rich. Nonetheless, at some point you have to come to terms with how your money comes to you. Even if you prefer not to make the connection, others, including poor and powerless people, certainly will do so.

Doing something about the source of your income, according to this point of view, is the most appropriate way of dealing with the guilt that many rich people feel. Furthermore, on a dollar basis, it makes sense. Let's say you have a million dollars, your income is $40,000 and you give away $10,000. Why not do something about the million, rather than focussing on the $10,000? Or, to put it another way, why not use your million to focus on a cause of the problem, the corporation, in addition to using your $10,000 to fund solutions? If this line of thought appeals to you, there are several things you can get involved in:

• *Clean investments.* This means dropping from your portfolio companies that produce war materials, greatly pollute the environment, invest in South Africa, and so on. You can try to make clean investments quietly by selling some blue-chip stocks and buying others, or by putting your money into one of the mutual funds that specialize in such investments, such as the Dreyfus Third Century Fund or the Pax World Fund. Or you can be aggressive about your social concerns by going to shareholders' meetings and introducing resolutions to generate bad publicity for companies that pollute or profiteer. If you really have the energy, you can get some friends together and organize your own mutual fund or investment group, making it one that really raises a stink when required.

• *Socially useful venture capital investments.* This means trying to seek out companies that are actually doing something useful, not just avoiding those that are doing things you consider wrong. You still want a decent rate of return on your investments, but you hope to

encourage the production of useful goods at the same time. Until the utility companies started to get into the act recently, companies making solar energy devices were a favorite investment of this type. Another example might be companies making pollution-control devices.

• *Alternative investments.* This covers making investments that are actually more like grants. (If you consider the alternative investment decision more as a grant than an investment, because of the unlikely possibility of return, then the recipient organization should meet the qualifications required of a grantee.) The return —if any—that you get on your money is not as important as what the money is put to work doing; you'd be happy if the business accomplished its purpose even though you never got a cent back. Some examples are: purchasing stocks or bonds from a worker-controlled business; buying part of a new, minority-owned and staffed business; becoming an owner of a political newspaper or magazine (although many of these are setting themselves up as nonprofit foundations these days); supporting a community development corporation. Other worthy but less adventurous alternative investments include such things as municipal pollution-control bonds, nondiscriminatory housing cooperatives, and institutions such as Chicago's community-controlled South Shore National Bank. At this writing, a promising new alternative investment mutual fund is being organized in Boston.

While searching for more moral places to put your money may be appropriate for at least a part of your portfolio, constructing an entirely "clean" portfolio is almost impossible. You may be locked into corporate stocks because of trust arrangements, tax problems, or other reasons. If so, what can you do? As a shareholder, you can vote for public interest shareholder resolutions on the proxy ballot; you can file your own resolutions; you can go to the annual meeting; you can give your proxy

vote to a public interest shareholder campaign; or you can file a shareholder derivative suit against corporate officers and directors (one of the most powerful shareholder tools to emerge from the corporate reform movement). You can also check the portfolio policy of any institution with which you are connected.

These are the major formal tools available to shareholders which have been used successfully by a number of shareholder activists. At this writing, for example, a vigorous international campaign is under way—using both shareholder resolutions and a consumer boycott—against Nestlé and other companies which sell infant formula to the Third World, where its expense and misuse often cause disease or death. Church groups have challenged, often changed, corporate practices on issues

Ricardo Levins Morales

The infant formula companies have begun an intense promotion campaign in the world's poor countries. Bottle feeding is praised through mass advertising, while mother's milk, the perfect food, is degraded as a food source. The campaign reaches women in hospitals, urban slums, and villages. Many babies die when pure water cannot be found, when formula is diluted to make it last, and when refrigerators to preserve it do not exist. Infant Formula Action Coalition (INFACT) has organized a nationwide boycott of all Nestlé products as part of their strategy to educate the public about the issue and lower the infant mortality rate in Third World countries.

HUNGER AND MALNUTRITION INCREASE THEIR TOLL FOR THE BENEFIT OF CORPORATE SALES CHARTS. THE NESTLÉ CORP. IS THE LARGEST OF THESE PROMOTERS.

JOIN THE BOYCOTT!

such as sponsorship of TV violence, South African investments, nutritional impact of fortified food, and strip mining. Public interest lawyers have won, or settled favorably, shareholder lawsuits about illegal political contributions. How well you do will depend on how illegal or outrageous the particular practice is; how much public awareness, media interest, or governmental activity there is about the issue; how profitable the corporate practice or policy is; how intransigent the company is; and, of course, how persuasive you are. These factors, incidentally, usually matter far more than the actual amount of stock you own.

The myth of powerlessness, of helplessness against big business, is itself quite powerful. It is also comforting; it allows us to go about our individual business while blaming the woes of the world on some distant "them." On the other hand, the myth is reasonably accurate; it really is difficult to make a dent in big institutions, particularly big businesses. Their ability to bring resources to bear on an issue, as opposed to what any public-spirited individual or group can muster, is awesome. But because so few people with stock do bring articulate pressure, their influence is often felt far beyond their number or numbers of shares. And here, as in other areas of radical philanthropy, working jointly with others who feel the same way can magnify your influence still further.

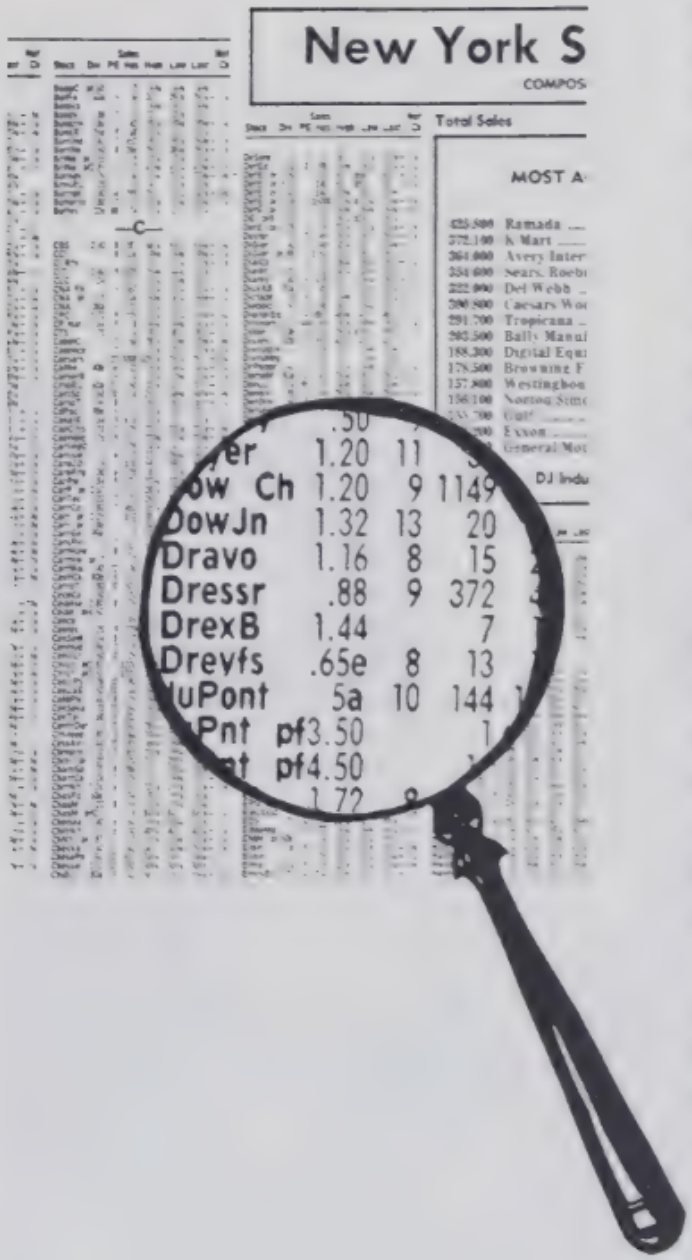
• • •

Deciding how you are going to answer the question of socially responsible investments is one thing. Then there is the matter of getting control of your investments, period. A frustration of many young wealthy people is that their money is tightly controlled by investment counselors who have worked with the family for years. These are the kind of folks who freak out when you start asking whether

a company invests in South Africa. In fact, many of them get upset if you ask *any* questions about the decisions they've been making for you, such as the balance between an "income" or "growth" (low-income) portfolio.

We encourage you to become more knowledgeable about where your money is invested: the greater your profits, the more money you'll have to give away for social change. This is particularly important for women, who will almost always be dealing with male stockbrokers, a dismaying number of whom believe that women are genetically incapable of handling money. You don't have to know enough about investments to make a career out of it (unless you really want to do so), but you should learn enough so that you can make an adequate evaluation of your portfolio.

Stanford students protest the university's investments in corporations in South Africa. This demonstration was organized by the South African Catalyst Project. SACP representatives travel to campuses nationwide to aid students and faculty in similar actions.



The Haymarket Peoples Fund newsletter has some useful suggestions on this point:

"Start by finding out exactly how much money you have. Get a complete and concise balance sheet from your investment person. Find out what money is in trust. Do you currently receive income from the trust? If so, how much? What are the terms of the trust? Who gets the principal? At what age or occurrence do you or they get it? In all of this you will want to become more familiar with the terminology of money: principal, stocks, bonds, capital gains, etc.*

"Basically, the key documents, if you can get them from your financial manager, are: 1) a balance sheet of your assets; 2) a portfolio that lists all of your investments; 3) a statement that names the trust(s) of which you are a beneficiary; 4) copies of your trust instruments; 5) a copy of your latest federal income tax return. You should sit down with your financial person and sort out what the listed income means.

"It is surprising how many people have spent and even given away money for years without ever really figuring out how much they have, where it's all coming from, and if they are likely to inherit any more. But it is not all their fault. Brokers, family lawyers, trust officers, etc. are frequently not the most open and communicative people . . . Some are overly protective and controlling. But many are not like this and just need a little pushing and perseverance. . . ."

If you feel slightly terrorized by your trust officer, you're not alone. The problems of dealing with family financial people about these matters have frequently been topics of discussion at the gatherings of young wealthy people described in Chapter 15.

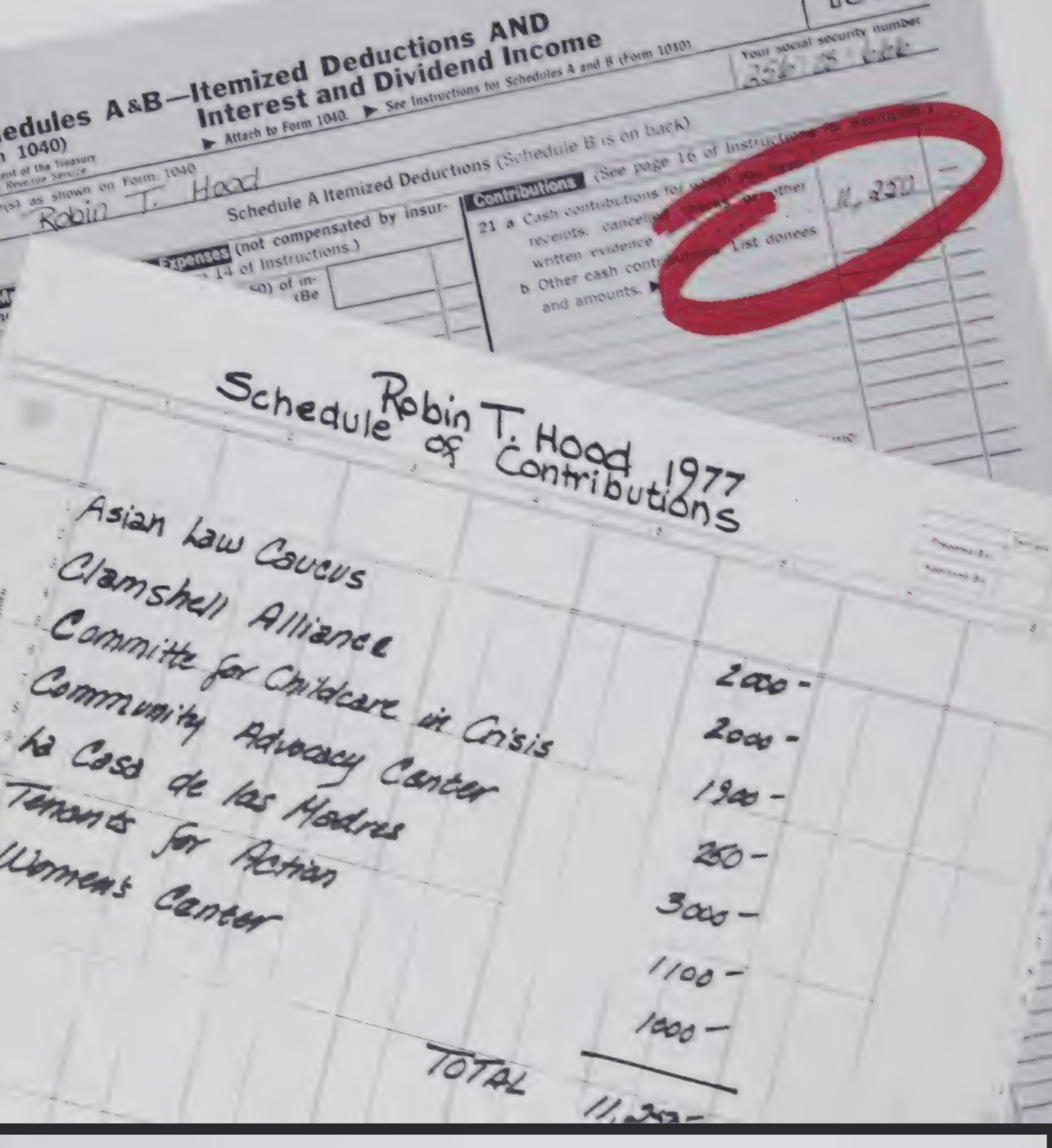
*A brochure published by Haymarket has an introductory glossary to financial terms. Write for a copy to Haymarket Peoples Fund.

We caution you against getting too deeply drawn into investment decisions. It's extremely time-consuming. If you find yourself studying the stock tables in each morning's paper, you are probably going too far. But at some point you may want to make changes in your investment program, and you will need a certain amount of knowledge to do that effectively. For example, you might remember that stocks and bonds are not the only forms of investment; real estate is a good one, with some tax advantages which would free more of your money for philanthropy. (However, real estate investments frequently do require a lot of attention.)

It is probably best to direct your energy to making sure you have an expert, reputable, easy-to-deal-with person who will manage your investments to your best advantage. Meet with him or her at least once or twice a year, or more often if you want to. If everything is going well, you can pretty much leave the decisions up to that person. If it's not, switch to someone else. The best sign that something is wrong is if your investments' value lags behind stock market averages for a substantial amount of time. Continue to try new people until you find someone you feel is doing a good job. If that person understands your politics, so much the better, but that shouldn't be your main criterion unless you are deeply committed to alternative investments.

"All along, the people who managed my money really saw it as more my money than I did. I had a lot of fears. I transferred father figure images onto the managers. These particular people didn't care at all, but my father had definite feelings and was very curious about what I was doing. Every transaction I made went through his eyes somehow. He never said no to my giving away money. But he never was very supportive and responsive.

"I still have difficulty speaking directly with my investment counselors. Money is never a totally comfortable subject for me. But I know it's my right to do so, and that I shouldn't feel weird calling them up on the phone and asking them to deposit $15,000 in my checking account so I can give it away."



edules A&B—Itemized Deductions AND Interest and Dividend Income
1040)
▶ Attach to Form 1040. ▶ See Instructions for Schedules A and B (Form 1040)
Your social security number
Robin T. Hood
Schedule A Itemized Deductions (Schedule B is on back)
Contributions (See page 16 of Instructions for Schedules A and B.)
11,250
Schedule of Contributions
Robin T. Hood
1977
Asian Law Caucus 2000 -
Clamshell Alliance 2000 -
Committe for Childcare in Crisis 1900 -
Community Advocacy Center 250 -
La Casa de las Madres 3000 -
Tenants for Action 1100 -
Womens Center 1000 -
TOTAL 11,250 -

Tax Deductions and Dipping Into Capital

This chapter is no substitute for a good lawyer. It is merely an introductory tour of some basic financial points you should be aware of as you embark on serious philanthropy. Tax laws vary from state to state and are constantly being revised. If a question arises, consult a tax lawyer you trust; a 15-minute consultation will usually do it.

PRIVATE FOUNDATIONS AND PUBLIC CHARITIES

This is a distinction which will affect your giving—and perhaps also what kind of foundation or organization you create. The Internal Revenue Service recognizes many types of tax-exempt organizations, but they all fit into two categories: private foundations and public charities. Private foundations, which are the more common, are what usually results when an individual, a family, or a small group of donors sets up a foundation for a specific purpose. Public charities, on the other hand, are required to raise a certain proportion of funds from the "public," so you can't just set one up on your own. But public charities have less red tape to deal with when they make reports to the IRS, and donors obtain

greater tax benefits from giving to a public charity. Haymarket, Vanguard, and Liberty Hill are all public charities.

DEDUCTIBLE GIFTS

American tax laws encourage you to give away at least some of your excess income. For example, the IRS will allow you to donate up to 50 percent of your income to a public charity or 20 percent to a private foundation and deduct the funds from your adjusted gross income. These tax benefits multiply the effects of your donations. For example, if you have an investment income of $100,000 a year, and you are in the top tax bracket, you can give away $50,000 a year and only lose roughly $20,000. In effect, the government is subsidizing your giving program by more than $2 for every $1 you pay out of your own pocket. You may as well give those $2 to a vigorous social change group as to the government to buy missiles with.

LOANS AND INVESTMENTS

You might also get tax benefits by lending money to social change groups. If they fail to pay you back, you can take a tax write-off. But the benefits of the write-off are pretty much limited to people with investment income. To be specific, the loss cannot be deducted from ordinary income; it can only be offset against short-term capital gains from investments plus an additional $1,000. A good, progressive tax lawyer can give you the best advice about how to take advantage of these regulations without overstepping their bounds.

DONATING APPRECIATED STOCK

You can usually reap tax advantages by making your donations in stock instead of cash. For example, if you inherited IBM stock that was purchased a long time ago, you'd have to pay whopping capital gains taxes on it if you

© George Ballis

Senior citizens, many on fixed incomes, have started to organize around their needs. Here a group in Hayward, California gathers to pressure for reduced bus fares.

sold it. If you know you want to make a donation of a certain amount, it may be best to make it in those low-cost shares of IBM and use the cash you would be given to invest in something else instead. You can even buy the IBM back at the current market price, which leaves your portfolio looking the same, but you won't have those huge capital gains taxes if you want to sell IBM in the future.

You can get the maximum tax benefits from gifts of stock only if the recipient is a public charity. But if there's a tax-exempt group you want to support that doesn't have public charity status, it is relatively easy to find a local public charity which will receive the gift from you and then make a grant to the group you're interested in. (There is usually an administrative fee charged for this service.)

CARRY FORWARDS

You shouldn't feel limited to giving away 50 percent of your income to tax-deductible groups. If the recipient is a public charity, you can give a lot more than that, even over 100 percent, and have the tax advantages "carried forward" into future years when you may not give away the full 50 percent. (Donations to private foundations exceeding 20 percent of your income in any year are *not* deductible in future years, however.) Your lawyer can fill you in on the details.

CLIFFORD TRUSTS

If you want to give away more than 50 percent of your adjusted gross income and still receive a tax deduction, ask your lawyer about a "Clifford Trust." Here's how it works:

Let's say you have $1 million in capital under your control, producing an income of approximately $50,000 a year. Assuming you need $10,000 a year to live on and have no job at the moment, you can set aside $200,000 to

San Francisco's Northwest Bernal Block Club was formed several years ago. When its area was threatened by real estate developers' plans, the 200-member group began the battle to maintain the character of their low-to-moderate income neighborhood. With one small grant the group produced a 150-page "Elsie Street Plan," based on a neighborhood poll, which calls for open space, street improvements, a Building Review Board of neighborhood residents, and a nonprofit community development corporation.

produce that income. Then you put the remaining $800,000 into a Clifford Trust. You can name as a beneficiary of the Trust any tax-exempt charity or foundation. You will be taxed only on the income produced by the $200,000.

The Trust will be irrevocable for ten years; you won't be able to touch either the income or the principal, no matter what happens. You will, however, be able to change the beneficiaries as you wish. After ten years, the principal returns to your control. You can extend the whole arrangement for another ten years if you want.

Another way of doing it is to set up a Clifford Trust whose beneficiaries are determined by a group of trustees, named by you, whose interests and priorities closely parallel your own. Each year, they must give away the entire income from the trust to tax-exempt organizations. At the end of ten years, you get the principal back, having paid no taxes in the meantime. Ideally, you can name trustees who'll give that income to the same things you would want it to go to. But even if they do flip out and give all the income to the Citizens for Animal Decency, Inc., you'll still get the principal back after ten years.

"Anybody who tells you that inheriting money hasn't made any difference in their lives is talking complete bullshit. I don't think there's anybody it hasn't affected. It's something that goes very deep, is very subtle. Somebody once told me of a study they'd done of people who had won lotteries: apparently they all got screwed up—divorce, suicide, alcoholism, everything. Probably for the same reason that people born with a lot of money do: when you get something for no effort that everybody around you has to work enormously hard all their lives for, you feel that you've gotten something you don't deserve—and so you take revenge on yourself, in all kinds of subtle ways."

TAX-DEDUCTIBLE VS. NON-TAX-DEDUCTIBLE GIVING

Don't always let the tax laws determine what you will and won't support; you can always spend income and principal on nondeductible projects that you consider worthwhile. Non-tax-deductible gifts over $3,000 may be subject to gift tax; check with your accountant. It's worth it, however, to make sure that your own—not the government's—definition of what's "charitable" shapes your funding priorities.

In its final report, the DJB Foundation put it this way: "Much of the older generation of the rich seems to have been convinced by lawyers and money managers that the

American Creed requires them to limit their giving to the use of tax-deductible money only, and, via private foundations, to the earnings from these tax-deductible funds; that principal is sacred, no matter how large a surfeit any one person has nor how urgent the needs of others."

Daniel Bernstein, the stockbroker who founded DJB, spent large amounts of money out of his own pocket to support early efforts against the Vietnam war; these funds supplemented the tax-exempt work being supported by the DJB Foundation.

To contribute to a few kinds of good causes—most political campaigns, for instance—you can really only give "hard," or non-tax-deductible money. But there are "soft" money channels for most other purposes. At this writing it is possible to receive tax deductions for contributions to a surprising variety of highly political projects, ranging from socialist newspapers to studies of model legislation. Most organizations with any sophistication in fundraising either set up an "educational" arm that can receive tax-deductible funds, or make arrangements for a

Corporate control of the food industries leaves consumers little choice in what we eat or how much we pay for food. Cooperative food distribution networks have sprung up in many areas nationwide as alternatives to large chain store operations. This co-op is in Fresno, California.

© George Ballis

friendly public charity to receive contributions on their behalf. All this has important implications, one of which is that even if your funding interests are highly political, you can probably satisfy almost all of them through tax-exempt mechanisms.

ENDOWED VS. NONENDOWED FOUNDATIONS

This is a question you'll want to think about if you're setting up your own foundation. You can set up your foundation in one of two ways; you can either set aside a sacred lump sum and allow the foundation to spend the interest, or you can give a sum to the foundation every year with the stipulation that it all be distributed. There are advantages to both systems.

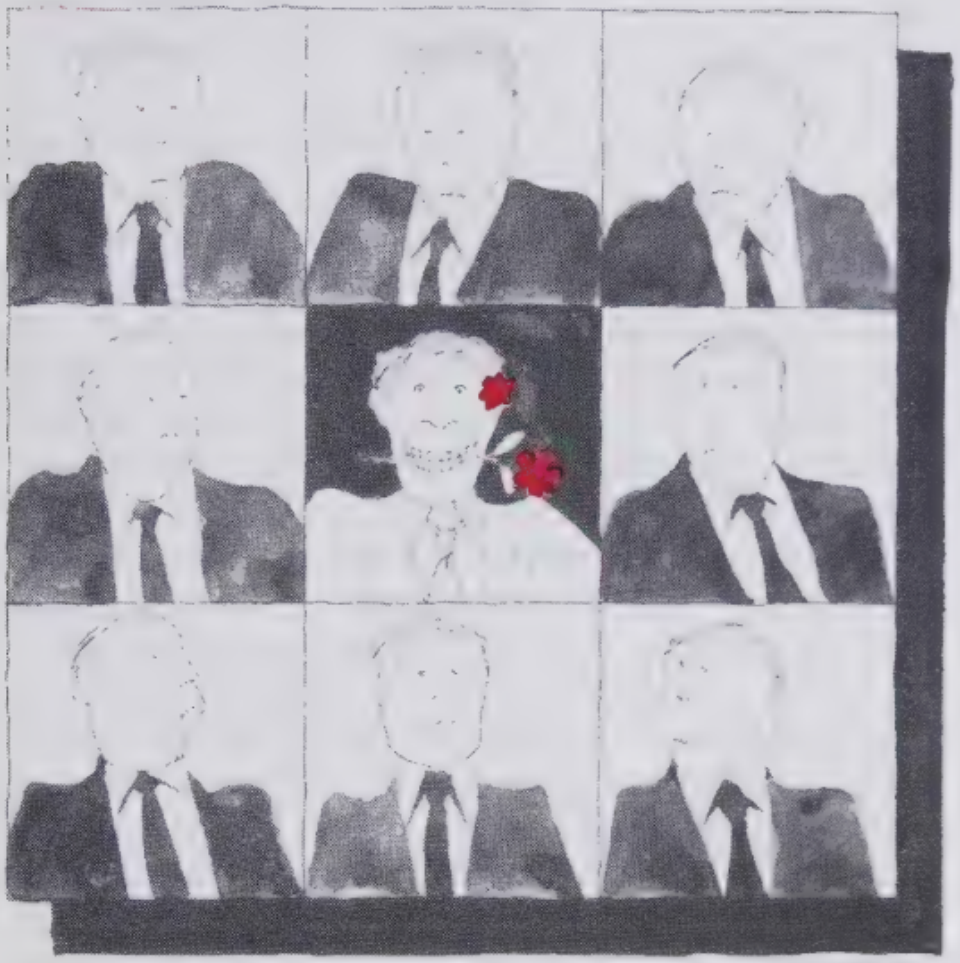
With an endowed foundation, you don't have to worry about fundraising every year. You will have roughly the same amount to disburse annually, allowing you to operate on an even keel. (However, according to IRS guidelines your foundation must spend at least five percent of the value of its assets and pay a four percent tax on investment income each year.)

A nonendowed foundation may be bolder about its funding choices and more willing to commit a big chunk of money when the need arises. DJB Foundation, for example, gave away $5.5 million between 1971 and 1975 and then closed down. Its final report states, "Preservation of capital becomes the main concern of too many foundations, causing them to worry more about investments than about programs." Having that kind of flexibility can be important, for your political analysis may lead you to believe that at a particular point in time — say, the height of the anti-Vietnam war movement, which DJB helped fund — it is important to make big commitments, even far more than your or your foundation's annual income. It's nice to have a mechanism that allows that flexibilty.

"I grew up with the image that I was the man, I was supposed to be the head of the family, I was supposed to be a businessperson and follow in my father's footsteps in the company.

"I was told, 'You've been given a lot; try and leave even more for your kids.' "

SHOULD YOU DIP INTO CAPITAL?



Coby Everdell

Of all the myths that get drummed into you when you grow up rich, none is stronger—or sillier—than the one that says you should never touch principal. "Dipping into capital" is supposed to be an indication of irresponsibility and extravagance. You should only give away income, and not even all of that.

Nonsense.

Peppered with stories of decadent spendthrifts and incompetent investors, the myth is founded on the assumption that the main thing you should do with money is pass it on to the next generation. But once you've acknowledged that there are better things to do with your money, the whole matter of giving away principal versus

Michael Mayne

La Raza Information Center is in its eighth year of providing a wide range of bilingual services to low-income Spanish-speaking residents of San Francisco's Mission District. The Information Center has organized successfully around housing and zoning issues, immigration, and many other issues affecting residents of the Mission. The group keeps the community informed through radio programs, a newspaper, "El Jalamate," and community events.

giving only income looks different. We advocate a flexible, pragmatic approach. Here are two examples, based on the experiences of real people, of different ways of dealing with the question.

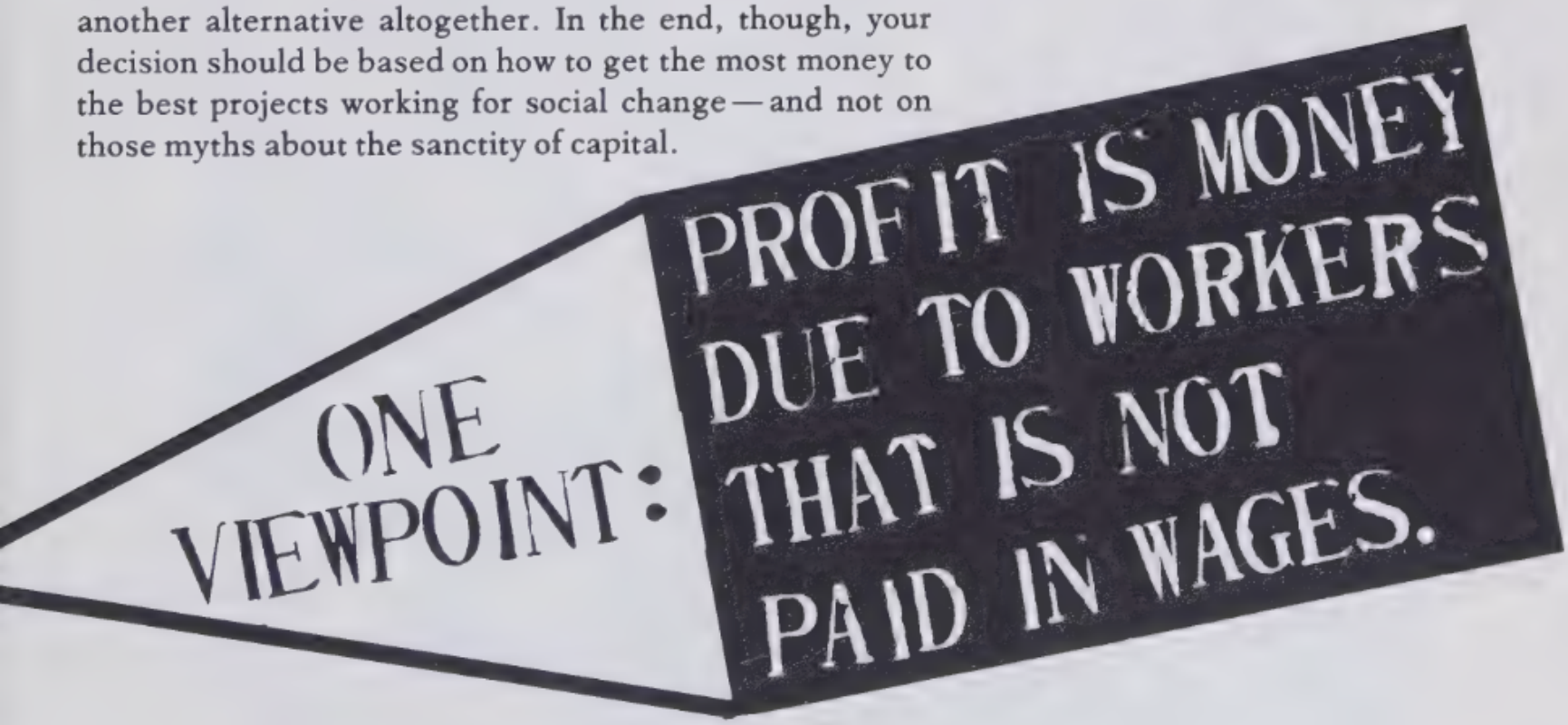
Jim and Heather are in their early thirties. Both are professionals with good jobs, and they have no particular anxieties about being able to support themselves. They will inherit several hundred thousand dollars when Heather's father dies. They plan to give it all away and even have some of the organizations picked out that they want to give it to. "I've seen too many people screwed up by the hassles of having money," says Jim. "And we just didn't want that to happen to us."

Fearing that he would be horrified by their plan, they have not told Heather's father about it. Were they able to get his cooperation, they could actually get much more money to the organizations they want to help. As it is now, they will have to pay an inheritance tax on the money that comes to them before they can give any of it away. If Heather's father were politically sympathetic to what they want to do, he could leave the money directly to these groups, all of which are tax-exempt, and no one would have to pay taxes on it.

Jean is thirty-five, a political science teacher. Despite her radicalism she is currently only giving away income, not principal. "I try to see things in the long run," she says. "My main interest is to see a strong democratic socialist movement come into being in the United States. I don't believe money can cause that to happen, but it can help a lot if the time is right. I give some money away now, though it's less than my annual income. Mainly I feel that this is a quiet, water-treading time politically. Not a great deal is happening. But I can well imagine a time a few years from now when all of a sudden there's a strong movement and major changes seem on the horizon. Then I could imagine giving away a

lot of money—even more than my annual income. I think if I had inherited my money several years ago, during the anti-war movement, I would have regarded that as such a time and done something like that then. I don't feel at all guilty about not giving away principal now, because I've made a will that ensures it will all go to a politically progressive foundation when I die."

Even if you don't give away principal, remember that many people who are seriously concerned about alternative philanthropy give away *at least* the tax-deductible 50 percent of their yearly income. At some point, however, you'll want to make up your mind about what to do with the bulk of your inheritance. That decision will be easier once you've clarified your own goals and have started to talk to other young people who face the same problem. You may, like Jim and Heather, want to give it away as soon as you get it, or, like Jean, you may decide to wait for the time when you feel a lot of money will do a specific cause a great deal of good. You may choose another alternative altogether. In the end, though, your decision should be based on how to get the most money to the best projects working for social change—and not on those myths about the sanctity of capital.



Thomas Nast, 1869 The Bettman Archive

12. Making Your Will

We almost entitled this chapter "Sex and Money" to make sure you'd read it—for we think it may be the most important in this book.

If you have money, making a will may well be one of the most crucial things you ever do. If you have avoided it until now you are, unfortunately, not alone. Making a will is uncomfortable, for it raises all those knotty questions about who—if anybody—is really entitled to the money in the first place.

Conventional wisdom tells us to leave all the loot to our children. It's okay to spend freely while you're alive, we're told, but "dipping into capital" is a crime against future generations, committed by the dissolute and irresponsible. And so we save the capital for our descendants. American tax law encourages this myth by permitting trust arrangements to bypass inheritance taxes. The very word "trust" gives a sanctimonious tone to this practice of keeping profits within the family. It reinforces the unspoken belief that wealth, like the titles of medieval nobility, should be handed down the bloodlines of a few rich families through the generations.

This kind of thinking reinforces the existing class structure. If you never

make a will you are casting a vote in its favor. If you have no will and die tomorrow in a car accident, your holdings will be divided up between your relatives and the tax collector. In most states, if you have no spouse or children, your parents will get whatever is left after taxes. And a standard will drawn up by Old Pinstripes, the faithful family lawyer, will probably have the same effect, although he may throw in a bequest to the family's favorite symphony.

If you want your money to be used to help change the economic structure after you die, the tax laws make it easy for you. You can leave all you want—up to your entire estate—to charitable organizations without paying any taxes. You have three choices:

- Leave your money outright to an existing social change foundation or organization working for social justice. Choose your group(s) carefully: check them out according to the criteria listed in Chapter Eight. Make sure the organization has a strong enough track record so you're certain it will still be in business after your death; the life spans of social change groups are notoriously short. Spread the money among several groups if you'd like.

- Leave your money for "general charitable purposes" with the specific beneficiaries to be selected by your executor, who should be a person you trust completely. Write your executor a letter to be opened only in the event of your death, and give your lawyer a copy. This will be a private communication; the IRS won't see it. Spell out your wishes about which organization(s) should get your money. Even though this letter is not binding on the executor, it can serve as a helpful guide, and it allows for some flexibility should circumstances change in unforeseen ways. The key, obviously, is the choice of executor.

• Set up your own trust or foundation in your will. If you are leaving a substantial amount of money, we recommend this route, so everything won't depend on the one person who is your executor. You can specify a focus (women's rights, for example), or leave that up to your trustees. Choose trustees with a strong commitment to the same ideals you have. Given the short life spans of left groups, we recommend this option over that of selecting the beneficiary in advance. If you wish, you can name a specific group as an example of the kind you'd like your trustees to aid. A good lawyer will probably advise you *not* to spell out references to "radical" projects or "social change" in your will. So make sure via a letter to be opened after your death that your trustees know your precise intentions.

"I have no intention of leaving my children a lot of money, of putting them in the position I was in. I think people can do really well without money and be a lot less hung up. People need a lot of support, but friends' support and family support, not necessarily financial support."

CHOOSING TRUSTEES

Name three or five trustees (small groups are more efficient; odd-numbered groups don't get hamstrung by ties). Include the names of people to serve as successor trustees if your original choices don't want to do so. Look for solid people who have a long history of social change involvement rather than those whose involvement in radicalism might be a momentary indulgence.

Do you have to tell your trustees that you're naming them? Legally, you don't; nothing in the law requires them to hear about this until the will is opened after your death. Some people feel that since you are laying a fairly heavy obligation on someone by naming him or her a trustee, you ought to say something now. Others take the position that this doesn't apply since trustees named in a will can—and sometimes do—simply decline to serve; that's exactly why you've named successor trustees. Says one person who has left most of his money to a trust for social change purposes: "I haven't told my trustees who they are. It would cause all sorts of problems if I did. One

of my trustees doesn't even know I have money. Another I've never met, but his reputation as a long-time activist in the fields I care about is so good that I think he is a good choice. So why go through the hassle, when, I hope, I have a good chance of living another 50 years anyway? Besides, they don't have to take the job if they don't want to."

"Even though I hope to live another 50 years, I was amazed at the sense of . . . of satisfaction I got at making a will. In some strange way, it seems to have finally absolved me of basic guilt. Even though I've not given away all my money, I know now for sure that it will all go to good things when I die, if not before. The whole kit and kaboodle. None of it is going to provide my descendants with yachts and hangups. Somehow it has enabled me to relax more now, having made that basic decision, and having made a political and moral statement to myself by making it."

You can make your trust or foundation a creature of eternal life, like the Ford Foundation, or you can set it up so that all of its assets are given away in a fixed term. The DJB Foundation, set up under the terms of the will of the late New York stockbroker, Daniel J. Bernstein, gave away $5.5 million in capital and income between 1971 and 1975. In its short but useful life, it bankrolled many of America's best organizing projects.

If you're leaving a lot of money (over $100,000), include a provision allowing your trustees to hire somebody to handle administration and check out grant requests. But put a percentage ceiling on administrative costs. You might also put in a provision urging (or requiring) that one or more of your trustees be under thirty, or poor, or Third World, or a woman.

• • •

Wait a minute, you say, I'm all for changing the world, but do you really want me to turn my kids out into the cold? Cut them off without a cent in a society that still doesn't pay for the basics like higher education and medical care? And what if my daughter becomes a community organizer or my son an artist? Above all, what if I die before they're old enough to support themselves?

These concerns don't have to stand in the way of a commitment to equalizing incomes. A section of your will or a separate trust fund established before your death can provide enough for your family's health, education, and

basic needs — but not for a big surplus beyond that.

Or, of course, you can simply make a gift to each child of a single amount ($50,000-$300,000) or a percentage of your estate. You may be uncomfortable with any kind of trustee relationship where the trustee is expected to make decisions about whether money should or should not be paid out. If so, and you leave money, leave it under the complete control of the recipient.

HOW TO MAKE A WILL

Most lawyers can draw up wills, but Old Pinstripes may not be the one to do it. He may try to talk you out of it, tell your family you've gone off your rocker, or find all sorts of imaginary legal obstacles to your plans. Most tax and estate lawyers have been working so long on keeping money inside rich families (and away from the government and anybody else) that they find it hard to change gears.

The San Francisco Bay Area's Neighborhood Foundation helps residents organize around community problems. With their help, seventy residents formed committees to make plans for what became the Daniel E. Koshland Community Park. Built where a burned-out apartment building once stood, part of the project is pictured here. The Koshland children provided funds for the land purchase.

Find a tax lawyer who can understand or at least respect your intentions. In any major city, there are tax lawyers who are both good at their profession and progressive in their politics. Any of the organizations listed in Appendix I can help you find one. Making a will is not an elaborate or expensive process—$200-$500 should do it.

Revise your will at least every two years. Your own priorities will become more sharply focused, you'll hear of new people who would make better trustees, or one of your trustees may need to be replaced.

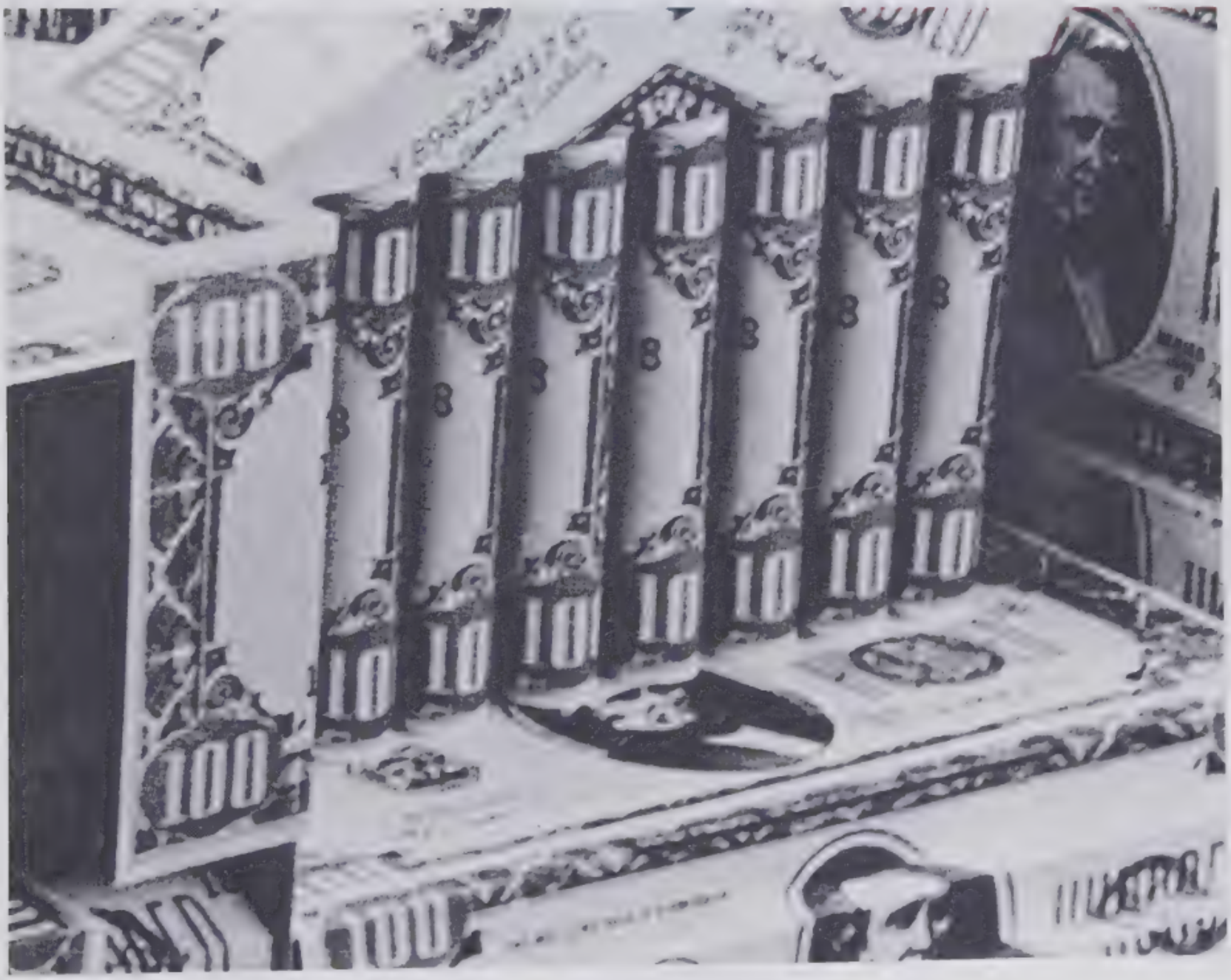
(If you don't want to hassle with your family, there is no reason for them to find out you've decided to leave all your bread to community organizing instead of the Boston Symphony. You don't have to tell them. If you made a conventional will with Old Pinstripes when you were twenty-one, let it molder away in his vault. Make another one with another lawyer—the later will always takes precedence.)

Above all, don't be scared by the process of making a will for the first time. Think of it as an opportunity to get your head completely straight—thoughtfully, carefully, and in consultation with people you trust—about your priorities concerning money. When you have made plans for what is to happen to your money after your death, we guarantee that you'll have an easier time dealing with it in the here and now. For many wealthy people we've observed, making a will which embodies a strong commitment to social justice has often been a major, morale-raising step on the road to dealing successfully with money.

But whatever you choose to do, be aware that people—especially family members—can be deeply hurt if they are left out of your will or receive a reduced portion of your estate. If they don't understand why you gave your money somewhere else, they may feel that you didn't

really love them as much as they thought you did—a potentially terrible rejection, especially when compounded with the grief of your death. We suggest you write a personal letter to those closest to you to be included with the will and opened only after your death, confirming your love and explaining the reason for your choices.

"But there's part of me that thinks, $10,000 put aside wouldn't be so bad. Maybe the kid could use a car or something. At least they could have a car and maybe $5,000, and then they're on their own. It's something I haven't settled in my own mind."



13. Can You Stay Anonymous?

If you publicly give away money, you have to face the fact that you're going to get hustled. People will invite you to "parties" that are really fundraisers; others will make it their business to get to know you on a friendly basis. You'll receive tons of letters in the mail and occasional knocks on your door asking you to pay the rent of families facing eviction or bail someone out of jail in Peru, sponsor trips to Tahiti or support a struggling young poet. In short, you'll be asked to fill an entire spectrum of heartrending and sometimes whacky needs that have nothing to do with projects you want to fund. You may wonder, "Am I really this popular?" The answer is no.

In response to this pressure, many rich people have simply disconnected the phone, closed the checkbook, and stopped giving money away altogether. There are better ways to deal with the problem.

As we mentioned earlier, we recommend against giving away money without some kind of support structure, whether it's a donor collective, a consultant, or a group of friends who are more interested in you than your philanthropy. For various reasons, however, you may choose to go it alone. In either

"I work pretty hard at maintaining my cover, but a detective could probably see through it. For instance, I have a lot of pride in the fact that I've usually supported myself, been able to get paying jobs. But the funny thing is, each time I get a new job I talk to the employer about what the work involves, and so on, but I always make the same mistake: I forget to ask what the salary is. The person hiring me always has to volunteer that information himself. But at least that's not as bad as one friend of mine who could never remember to cash her paychecks."

case, you will still have to decide whether or not to remain anonymous.

There's nothing wrong with being a public philanthropist, and we know some people who've carried it off well. It can be enjoyable work. But being a visible philanthropist entails many problems. In our experience, few people have enjoyed going public unless they were already in stable work and personal situations and had a sense of emotional centering, of having won respect for what they had achieved — in short, until they felt they were respected by others for what they could do, and not for the name they were born with. Thus, we recommend being cautious about how public you are about your philanthropy until you feel secure in your work and personal relationships, and until you feel comfortable relating easily to lots of people whose primary interest is your money and not you.

An all-too-common syndrome is this: you grow up comfortable but with no concrete sense of how wealthy your family is. You inherit a trust fund when you are twenty-one. Since you don't have to work for a living, you either stay in school for a long time or go through a succession of part-time or volunteer jobs. You try a couple of different kinds of work but don't find exactly what suits you. You give money to a couple of things. Then in your middle or late twenties, word gets around that you have money and people start to ask you for grants. You feel guilty about not giving the money away, but the more money you give, the more it seems to define you as someone with money instead of as . . . what?

That's the question, and that's the reason why going public too early, before you have a strong sense of who you are, can be a real problem.

Well, you say, you're right. I'm not ready to go public. But is it possible to stay anonymous, especially if I want to maintain control over where my money goes? The

answer is yes—but as time goes on you may find it becoming increasingly difficult, in both emotional and practical terms, especially if you are giving away a lot of money.

• • •

The ways of giving anonymously are fairly simple:

• Register a fictitious name with the IRS, get a Post Office box and a bank account in that name, and start writing checks. For your tax accountant's purposes, the checks are written by you, but the organizations you give to will think they are from Merdley A. Scrump, or whatever name you choose. Or you can arrange for a lawyer to be your agent. He or she will make donations and sign the checks, telling the grantees they are from an anonymous client.

• It is much better, however, to work out a relationship with an existing foundation or consultant. You will be working with people who are accustomed to keeping secrets and who have the mechanisms set up to channel money from an anonymous donor. One advantage of this method is that it provides you with a more effective cover. If your favorite local tenants' union receives a grant from, say, the Liberty Hill Foundation, the group will think of it as a grant from the Foundation itself, even though they may be told it is a "donor-specified" grant. On the other hand, if the same group suddenly gets a check from Merdley A. Scrump—who is not in the phone book and is not known by anyone—or from a lawyer representing an "anonymous donor," that's an open invitation to start trying to find out who the mystery person might be. A visible passion for secrecy mainly attracts publicity, as Howard Hughes and the CIA have discovered.

One important caution: resign yourself to the fact

that partial secrecy is impossible. You cannot expect to give money to organization A in your name, tell them "don't say it was from me," and expect your secret to stop there. It never will. Some day soon, Organization B is going to say to Organization A: "We're desperate for cash. Who do you know who can help?" And A will say, "Well, for God's sake don't say you got her name from me, but . . . " Or B will say to A: "Is it Jane Doe who's your big mystery donor?" And A will say, "Uh . . . I can't tell you." And your secret will be out.

• • •

While you can probably maintain your anonymous status for a while if you follow the above suggestions, there may well come a time when you either cannot or do not want to remain a completely anonymous donor. Your cover may be blown by some unforeseeable circumstance; you may discover that you are getting caught up in a web of lies about how much money you really have and what you do with it; you may find that publicity about your support of a project can actually be advantageous to it. If you've resolved the problems around your own sense of identity, you can deal with the problems and pressures of going public without too much difficulty.

Here are some guidelines to help make your life easier when you are giving money away publicly:

• Choose a very specific giving area and stick to it. This will give you an easy way to answer off-the-wall phone calls and visits. You will also be able to develop some expertise in the area and make good grants.

• Don't attend fundraising "parties"; instead, ask fundraisers to meet with you in a direct and businesslike way to talk about their projects.

• Maintain a circle of friends who have absolutely no

relationship to the projects seeking funding from you.

• Get a Post Office box and a separate message phone number or an answering service to protect yourself from constant phone calls. Or get an unlisted phone and tell people to contact you by mail. Explain to those persistent few who call anyway that you don't deal with money requests over the phone; tell them in a firm but friendly way that they should put their requests in writing. Becoming a public philanthropist doesn't mean giving up your right to privacy.

• Be wary of cooperating with reporters. Journalists have a fixation on the rich: rich kids giving away money strike a thrilling nerve for many people—for understandable reasons. The only time you might want to waive this is if publicity might be helpful to a group or project you want to support. For example, if you are involved in a foundation, a well-written article might help attract new donors or encourage other people with inherited wealth to set up their own alternative foundations.* (After an article on Vanguard appeared, several new donors joined the Foundation, and one person set up her own foundation with Vanguard's help, through which she now gives away $90,000 a year.) Be sure you think about the audience that will be reached by the article and whether it is one you wish to reach, as well as the previous experience of both the reporter and the publication in doing articles of this

*Publicity will also attract a few crazies. After an article appeared in the **Village Voice** on Haymarket, George Pillsbury received an offer to invest in a device which would bring eternal life. When George responded calmly that he only funded social change groups, the caller asked angrily, "What could be more important to social change than preventing death?" The caller flew to Boston that afternoon and when refused an appointment again, he showed up at the Haymarket office anyway. George made a quick exit down the fire escape and may have missed a great opportunity.

sort. Decide what parts of your work and your life you want to keep private — remember, you never have to tell a reporter *anything*. You can always say, "I'd rather not talk about that." You don't have to explain why.

• • •

Apart from the obvious problem of privacy and the question of whether you're ready to handle people seeing you as a person who gives money away, why is the whole question of anonymity so sticky?

It all goes back to that fundamental conflict many young people with inherited wealth feel about having the money in the first place. Many wealthy people suffer from a King Lear complex. Lear, you remember, wanted to give his kingdom away . . . but then again he didn't. Things turned out rather badly for him. Many young people have the same conflicts. You want to give it all away, get rid of this awful scourge that's been messing up your life . . . but you want to be sure it goes to X group and not to Y group, and you want to keep a little to buy that farm some day, and so on. You want to be anonymous, to appear just like everybody else . . . but you want certain friends to appreciate how noble you are for being anonymous in your giving when you *could* be getting all that public credit. You want to keep on funding that place where you're working, where nobody knows you have money . . . but what if they blow the whole kitty on that ill-advised program . . .?

At some point, you have to resolve all the conflicts and get your head clear about just what your goals actually are. Here are some specific suggestions for dealing with the conflicts you may feel around the whole question of anonymity:

• Get into a group where you can talk frankly with other people (see Chapter Fifteen). You'll be amazed how

many other people have experienced similar problems. Write down your various goals, political and psychological, concerning money. Figure out which of them are absolutely incompatible and start making choices.

• Think about the idea of not trying to conceal that you *have* money, but of keeping largely anonymous how much you give to whom. This is a compromise many people have found satisfactory. Concealing the fact that you have inherited wealth is often difficult: it can involve you in a lot of lies about the "$20" coat that really cost $100, that trip to Europe that was a "cheapo charter deal," and so on. But if you can say to anyone who asks, "Yes, I did inherit some money, but I give it away through the Robin Hood Foundation," that takes the heat off you and makes relationships easier.

• Rid yourself of the idea that if people know you have money, they will know just how much you have. You can "come out" as wealthy and enjoy the relief of not having to keep it secret without having to publish your balance sheet in the newspapers.

• *Don't feel guilty* (the final commandment that seems to show up on all our lists in this book) if you want to keep some things private, whether it's how much money you have, or where your anonymous grants have gone, or how much the house you live in costs. If you've worked out a plan so that over the long run (and we mean the *very* long run: read Chapter Twelve on Wills) whatever money you don't need to live on will go towards fighting injustice, that's the important thing. You can feel proud of yourself for that, and let guilt-trippery just roll on by.

"I came from one coast to the other in part to get away from my family name. For years, though I considered myself a radical and felt deeply about the Vietnam war, I was very wary of getting involved in anti-war movement projects because I knew sooner or later the thing would run out of money and I would either have to be the rich uncle or be secretly guilty about not funding it when I could afford to. I did draft counseling for awhile. It was a worthwhile project, and I don't think anyone there knew much about me. The office ran out of money and was going to close. So I sent them $3,000 cash in the mail, with a typewritten note saying it was from the family of someone they had counseled. It was really a crazy thing to do—what if the envelope had gotten lost? But it worked. I came to work the next day and there was quite a stir. The project stayed open and no one knew the money was from me. I don't think I would do something like that today, though. The emotional strain of anonymity is just too great."

Rick Grosse

Giving and Loaning Money to Friends

14.

During a recent "rap group" meeting of 15 people with inherited wealth, we found that every person had had bad experiences with loaning money to friends. In fact, only two people out of the group had ever had good experiences.

Loans to friends can be very tricky. The fact that you can afford to make the loan at all emphasizes that you have power the other person does not have. The person accepting the loan often feels a sense of obligation that interferes with the friendship until the money is paid back. And if the loan isn't paid back, the lender ends up feeling manipulated, and the borrower feels uncomfortable. "It's hard to look each other in the eye afterwards," is the way one person puts it.

In those rare cases where loans and gifts between friends work out well, the friendship is usually long-established before the question of the loan comes up. One woman simply had $500 deposited each month to the bank account of her best friend of 17 years. Surprisingly, it has caused no problems.

Given the caveat that friendly "loans" rarely work out smoothly, here are several ways you can go about making them if you are certain you want to:

- Loan the money directly, with a written agreement on a repayment date

"I have a friend who's been close for 17 years. Her husband walked out on her several years ago. I wanted to give her some security about having money because she really wanted to be an artist and she had to work all the time. I told her I wanted to give her the money and the only condition was that it should not affect our relationship. Five hundred dollars will be put into her bank account each month forever. I made it as impersonal as possible; she doesn't have to receive a check from me.

"I suppose I could take it back if I stopped liking her. I don't think that would occur to me. I'm so conscious of money being a power that I just wouldn't do it. I think both of us know I would never use the money for my neurotic needs."

"Giving money to friends rarely works. I've made big mistakes doing it. I don't believe it ruins friendships, but it is a catalyst to exaggerating what was difficult about the friendship already."

and interest, if any. The disadvantage here is that you are the creditor, and it will make you feel bad to have to go to your friend six months later and ask, "Where's the money?" You might try explaining at the start that you don't want to have to come around like a bill collector and get an agreement that the borrower will take the responsibility for paying you back by a certain date or for contacting you and telling you why he or she cannot. Though this is the simplest method of making a loan, it's likely to work only if you are absolutely sure your friend can pay you back. If you're at all doubtful, this method is a recipe for trouble.

• A second way to loan to friends is to guarantee a loan issued by a bank. The advantage here, of course, is that the bank and the borrower work out the repayment and interest arrangements, and you are called in only at the very last minute if things go wrong. Thus the bank is a sort of screen that helps protect your friendship from the emotional entanglements of a debtor-creditor relationship —unless the loan goes bad, in which case you're back in the same boat. Another advantage is that the borrower will be able to build up a credit rating. The disadvantage is that the bank pockets the interest.

• Another workable arrangement is this: you make a loan to your friend and get a formal note acknowledging the friend's debt to you and saying what the due date is. Then you endorse that note over to some worthwhile social change group both of you believe in. You inform the group by letter that you are assigning this debt to them. If it's a tax-exempt group, you may be able to get a deduction for claiming your note as a contribution—double check this with your lawyer. This method can give you a tax deduction, help out a group you both want to support, and put the bill collection problems in the hands of someone other than you.

• You can make an outright gift. If a friend comes to you in a crisis with unexpected medical bills or car repair costs and no prospects in the near future for earning the extra money to pay back a loan, think about a gift. Is this a person you really want to help? Will the friendship take the strain? If so, it might be better just to give the money than to make a loan that might not be paid back and could leave you both feeling ripped off. Excessive gratitude (for a gift) and excessive obligation (over a loan) are both friendship-destroying emotions, but obligation is worse because it lasts for an extended period of time.

One member of the rap group we mentioned gave a long-standing friend the use of a car as a semi-permanent loan. The friend needed the vehicle, and yet no overwhelming sense of obligation was created because no cash changed hands. Others have given friends the use of country houses, cameras, and video equipment with fairly few complications. Loans to friends of possessions don't seem to be as tricky as the loan of money.

Some people have simply decided they do not want to get caught up in money relationships with friends, period. They feel they have enough to deal with without having to add the pressure of being open to requests for money from individuals. If you decide to go this route, fine; you needn't feel bad about it at all so long as you're working on making the best possible decisions about the money you do give away.

We've run through many of the complications that can arise when making loans to friends. Unfortunately, there can be even still worse feelings if a friend in need comes to you for help and you say no. In sum, the question of making loans and gifts to friends (or to an organization you work with) is one of those aspects of dealing with inherited wealth for which there is no easy answer. You just have to accept that fact and find the least painful way to handle the problem.

"I haven't given money to friends until I was absolutely secure about the friendship, and the issue got washed out and wrung out. We talk about how we're going to feel and, where it is a problem, I don't do it."

"I like to be open to friends when they appear in need. If it's an emergency, I'll be open. But usually, it's something like a new amplifier. I don't like to be a soft touch. I have real close friends I've loaned money to and I don't care if I ever see it again, to tell the truth. We're tight enough so it really doesn't matter. But it can grow into a canker between you that really eats into both of you."

Finding Others in the Same Boat

The many wealthy people interviewed for this book, including those who helped fund and write it, have all felt embarrassment, guilt, and isolation—as well as pleasure, of course—as a result of having inherited wealth.

"Most of my friends weren't like me," George Pillsbury told the **Village Voice**. "They had to work part-time and summers. My background clashed with the women I went out with. It was difficult for other people to understand the contradictions.

"On college vacations, I would be going to black-tie dinners at my grandparents' and then the next day I would return to college and spend my time at the Black Panther Health Clinic. How do you rationalize the contradictions?"

Support groups can help us deal with our families on these issues. Dealing with the feelings which surround our money is a first step towards learning how to use it for the greatest possible benefit. If we don't deal with the guilt and other feelings, they can hamstring us.

Inherited wealth rap groups have been meeting since 1974. The American Friends Service Committee sponsored one, and Haymarket Peoples Fund

"Having money is like being a beautiful woman in a romantic novel: you are always wondering whether men are loving you for your body or your soul. You develop all sorts of finely tuned antennae that try to detect whether somebody is being nice to you because he really likes you or because he wants you to give money to something he's involved in. You look at people more suspiciously; you distrust warm gestures. You look for the little signals that show their real intentions. If you finally decide, 'Hey, he really does like me for something I've accomplished,' it feels terrific. But if that friendly approach finally turns into a pitch for money, or a hint that one is coming, you get that old sinking feeling: your money has caught up with you once again."

"All through my life there seems to be a pattern: I do something that I feel will once and for all separate me from my family, my money, and then 'it' always comes up. I remember one summer I was traveling in Africa. People thought I was just an American student spending the summer abroad. Then one day there was a newspaper article that mentioned my family. All of a sudden I could see this subtle change in people's attitudes towards me. I felt very sad. Most people struggle all their lives to be exceptional. Sometimes I think I have struggled all my life to be ordinary, to blend into the background."

sponsored several New England area weekend conferences for about 35 people with inherited wealth. Many of Vanguard Foundation's 30 members go on similar weekend retreats every year, and another rap group of several dozen people from all over the country meets every six months or so for a weekend of talk about personal and political issues. In Boston, a group of men with inherited wealth formed a men's group which met for over a year, discussing sexism, the male role, and inherited wealth.

These groups have helped wealthy people realize that the conflicts they face are not isolated personal problems but were created by their position in an unjust society. The experience has been particularly valuable for people whose families don't understand their desire to give money to social change—or their conflicts about having it in the first place.

Solutions to these personal conflicts cannot be given in a book like this. You have to seek them out, and in doing so it is important to have the support from both rich and non-rich friends. Some of us have felt immense pressure to have solutions now, because we received the bulk of our inheritance at age twenty-one. Remember, this is just an arbitrary date. There's no rush. There's plenty of time to figure out what you want out of life and how you want to use the money. But a support group may help you make better decisions whenever you do make them.

Support groups have given people the non-interfering attention they need when they try to puzzle out problems. This kind of attention is hard to get from non-rich friends; everyone understands that there are worse problems than being rich. But true as that is, wealthy people do have a unique set of problems, and it is helpful to talk about them with others in the same boat.

By contacting one of the organizations listed in

Appendix II you can find out about joining existing rap groups. Or you can start your own.

SETTING UP A SUPPORT GROUP

A few simple rules will increase your chances of making your rap group work.

• *Getting Started.* Any group of two or more people can be effective. You might start by contacting each potential member individually, having lunch together, and talking about your backgrounds.

• *Time.* Two or three hours is usually long enough for most meetings; decide on the ending time in advance and stick to it. A potluck meal together will help break the ice.

• *Convener.* Appoint one person "convener" of the group each week and rotate the job so everybody shares the power and responsibility, not just the more confident or experienced people. The convener helps the meeting move according to the group's agreed-upon desires, makes sure everyone gets equal time, handles conflicts, protects members from excessive criticism, and keeps conversation on the chosen topic.

• *Anonymity.* Find out how people feel about being identified with the rap group, and respect their wishes absolutely. If the entire group wants to keep its existence a secret, respect that. Do not repeat what people say in the group, in any context. This will give people more freedom to talk.

• *Equal Time.* Everybody gets equal time, from the most verbose to the most shy. Everybody needs to get roughly equal benefits out of the group, or resentments build up. Try this rule: nobody speaks twice until everyone has spoken once; nobody speaks four times until everyone has spoken twice. Or go around the circle, giving each person in turn two or three minutes to talk without interruption or criticism. The convener can ask quieter members for their views and make sure that

"I became news director of an alternative radio station, being paid about $700 a month. Nobody knew I was on any other economic footing than the people there (which in most cases was pretty shaky).

"During a period of financial crisis, I decided to give $5,000 to the station. I felt, 'I can't just walk in and write a check for $5,000 and then go back down to my office and wait for my pay check.' So I went to the manager and told him I would only give it anonymously and he agreed.

"At a staff meeting, the issue of the anonymous $5,000 gift came up. The discussion became more and more heated because there wasn't enough money to go around. People wanted to know where the money came from. I felt more and more scared. I didn't know what to do. It degenerated into a shouting match with people saying to the manager, 'How can we believe anything you say if you won't tell us: why don't you trust us?'

"I felt really sorry for the manager, that it was being unfair to him. He was saying, 'I can't tell who it is,' and trying not to look at me. Nobody had any inkling I might be the source.

"I said, 'Ahem, I think I can clear this up. I gave the money. I was left some money and I gave it, but I didn't want anybody to know about it.' The meeting adjourned rather suddenly after that.

"I was afraid it might change my relationships with the people there, that they would want me to work without being paid.

"I felt then, almost as strongly as I do now, that if I work I want to get paid for it. It validates what I'm doing. I want people to value what I do and to express that value to me."

"In initial fundraising situations, I thought, 'If they're flattering me, they're not going to get their toes in the door.' Anybody who tried that flattery stuff just didn't get anywhere. I know people try it even now. There's a little buzzer that goes off in my head. They're more subtle about it, but I think I can pick it up."

women get as equal a chance to speak as men. (One of the most common conversational patterns in our culture is when men interrupt women before they're finished.)

• *Keep It Personal.* Everyone should speak from his or her own experience and memory, rather than commenting on other people's thoughts or wandering into intellectual analyses or abstract head trips. "My experience is different; let me tell you about it," is better than, "You're wrong."

• *The First Meeting.* Kick off the first meeting by going around the circle and giving everybody roughly the same amount of time to talk about their backgrounds, their concerns, and what they would like to get out of the group. Make sure everybody gets a chance to speak before getting into discussion. The convener should find out how members feel about anonymity and make sure everyone agrees to respect it. If people don't know each other, it might be a good idea to take a break here and have a meal together so that people have a chance to talk to each other informally.

• *Discussion Topics.* Most of these will be obvious,

and many of them are matters to which we have devoted chapters in this book. A good, continuing discussion group on the problems of growing up rich is going to have to include both a political and a personal perspective. If you start off just talking about "Philanthropy in America," it's going to be deadly. But if you talk only about childhood experiences and never get to the question of how to use money wisely for social change, you'll be missing a dimension. Don't be afraid to talk about your personal experiences, though—and to create a group atmosphere where other people won't be afraid to talk about theirs.

One possibility for getting discussion going: assign some relevant reading before each meeting and start off with a discussion of it. This book, or chapters from it. Annual reports of social change foundations or Peter Collier and David Horowitz's *The Rockefellers*, which is the best book to date on the effect of money on an American family. (The final section of the book deals sensitively with the generation of the family now in their twenties and thirties.)

"I felt that if I could make it with the radicals, I would have really done something special, I would prove I was okay. I knew they liked me better than most people who were rich that they had to fundraise from. But our relationship was very bizarre. I had to prove myself and pay my way. I got into some very difficult relationships. I wasn't asking to be accepted, but I wanted to be something special in the realm of contributors. Yet there was always that overlay of my money."

"I feel as though I have to prove myself more as a person to earn any sort of respect. Some people assume they have to be nice to me because I have money, or they listen to what I say, but they don't really take it seriously because I'm coming out of this rich background."

George Ballis

Conclusion: Learning More About Social Change

16.

If you have a strong interest in social justice, sooner or later you'll make the right decisions about giving money away. Without that passion, all the handbooks in the world are of little use. No written guide can implant that feeling, but if you have the beginnings of it, we can make a few suggestions for learning more about the philosophy underlying this book. So by way of conclusion, here are some ideas for educating yourself further—not just as a philanthropist but as a socially concerned human being.

• **Involvement.** For those of us who came of age a decade or more ago, the civil rights and anti-war movements were our principal political education. People today must look elsewhere, but there is surely no shortage of causes to get involved in. Ecology. The anti-nuclear power movement. The fight to preserve neighborhoods from urban renewal. Tax reform. Support groups for political prisoners abroad. Whatever you choose, the fact remains: involvement in such work is the best and most lasting way to learn how American society really works, to see injustice firsthand, to realize how much has to be done.

Beginning is easy. Friends, student activities centers on college campuses,

socially conscious churches, and organizations like the American Friends Service Committee (which has offices in many cities) can give you information about which organizations in your community are working on the problems you're interested in. Once you start getting involved in one of them, you'll rapidly discover others in the field and can better figure out exactly what you want to do. If there isn't a local group concerned about a certain issue, start one. The progressive foundations listed in Appendix II are excellent sources of information about where to volunteer since they have amassed a wide range of knowledge about activist groups through their funding activities. And even if you don't live near any of them, they can probably put you in touch with some groups in your own area. They have staffs eager to help with just this kind of matchmaking.

• *Courses.* In many cities there are independent schools offering courses in various social issues, introductory Marxism, American history from an underdog's perspective, or whatever, without all the academic falderal or pretense of objectivity of a large university. The New School for Social Research in New York City is one such place; Epic West and the Liberation School in the San Francisco Bay Area are others. Check out the scene where you live. (Alternative newspapers often list such schools.)

• *Study Groups.* Meeting with a group of friends weekly or biweekly to discuss books and articles has been an important part of political education for many people. Sometimes a group may focus on a particular topic like sexism, Marxism, or getting a better understanding of the economy; sometimes it feels better to move from book to book or topic to topic as people's interests change. It can be surprisingly pleasant to discover the enjoyment of reading important books and discussing them with other people without the pressure to "show off" your know-

ledge for a teacher in the grade-conscious atmosphere of a college classroom. Often a study group will divide its time between reading and talking about experience, as in the consciousness-raising groups that have been so important for the women's movement — and, more recently, for men trying to come to terms with their own sexual identity. Don't feel that a study group has to be a formal thing. If you'd like, you can meet with one or more friends every week or two for lunch or coffee to talk about what you read.

• *Films*. For some people, certain movies have been an important introduction to the politics of social change. We're not talking about most of the films you can see in commercial theaters but the low-budget films you're more likely to see on a college campus or at a political meeting. Watch for showings of films like these: *I.F. Stone's Weekly*, a close-up view of postwar America's best radical

Coal miners' wives and children confront the sheriff during a scene from Academy Award-winning Harlan County U.S.A. **Supported by many activist donors, the low-budget film documents the long strike at Brookside Mine in Harlan County, Kentucky. The Film Fund, a new funding source for social change films, has offices in New York and San Francisco.**

Socialist, organizer and orator, Mary Harris "Mother" Jones (1830-1930) was active in every movement for justice of her day.

journalist; *Salt of the Earth*, a classic about a miners' strike in the '40s; *Union Maids*, about women labor organizers. Two good films which have also gotten some commercial showing are *Harlan County, U.S.A.*, an Academy Award-winning documentary about a bitter coal strike in Kentucky, and *Hearts and Minds*, the best documentary on the Vietnam war. *Lovejoy's Nuclear War* and *The Last Resort* are films that have been important organizing tools for the movement against nuclear power.

• *Magazines and Newspapers.* The media of the left becomes essential when you realize how much news gets slanted or ignored by the daily press. Here are some we recommend particularly: *The Nation*, the country's oldest left-liberal weekly, is grey in appearance, but the articles are short and clear; *The Progressive*, somewhat similar, comes out monthly; *Dollars and Sense* is a new monthly which attempts to cover the U.S. economy from a radical point of view, in plain English; *Mother Jones*, a glossy monthly, concentrates on longer, well-written features; newer weeklies and biweeklies—*In These Times* and *Seven Days* are good alternatives to *Time* and *Newsweek*. The last three recommended publications often print names and addresses of organizations working on the problems they report on.

For a more theoretical and scholarly approach to the problems of social change, we recommend *Working Papers*, *Monthly Review*, *Socialist Review*, and *Radical America*.

• *Books.* There are too many good ones to list here, so see our recommendations in Appendix I, page 139.

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Enough said. Don't be discouraged by how much there is to read and learn. And don't be intimidated by people you run into who seem to know more about Marx

The Bettman Archive

Almost fifty years after women began their struggle for the right to vote, suffragists continue in 1912 to publicize their cause in Greenwich Village, New York City. The 19th Amendment was finally ratified in 1920.

First drafted by Alice Paul and introduced to Congress in 1923, the Equal Rights Amendment at present faces a fierce battle to obtain ratification by the three additional states required to pass this legislation which will provide a legal basis for the full economic and social participation of women in American society.

or Mao or whoever than you could learn in a lifetime. The important thing is not the knowledge, but the passion for justice behind it. And there is no better way to nourish that passion than by your own firsthand involvement in fighting the problems of our time — poverty, injustice, the destruction of the environment. Once your own life gets caught up in that battle, solving the problems of what to do with your money will seem vastly easier. Good luck.

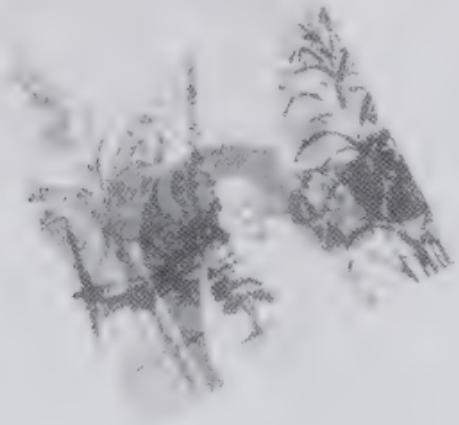
DELHI
POLICE

Appendix I: A Suggested Reading List

Our list of books could be a book in itself, so we've tried to limit it to the cream of the crop—and to books which are well-written. New books come out all the time, of course; this chapter is as up-to-date as we can make it at press time.

To begin with, don't assume that to do a responsible radical reading program you have to tackle *Das Kapital* right off the bat. There are easier ways. If it's Marx and the socialist tradition you're interested in, start with Edmund Wilson's *To the Finland Station*, a splendid book, written with the excitement of an intellectual detective story and studded with rich personal detail. After 40 years, it remains the best introduction to the subject.

Another, and even easier, reading path to pursue is that of autobiography. You might look, for example, at Philip Agee's *CIA Diary*. The author, who spent many years as a CIA police adviser in Latin America, first began to question the United States' role in that part of the world



when, while working with the Uruguayan police, he heard a prisoner being tortured in the next room. Agnes Smedley's *Daughter of Earth* is the fictionalized autobiography of a remarkable woman who may have been the only Westerner to play a role in both the Chinese Revolution and the Indian struggle for independence. Lastly, we refer you to the excellent autobiographies of two Russian revolutionaries, Leon Trotsky and Peter Kropotkin, the anarchist leader who also spent a fascinating youth as an explorer in Siberia. The stories of both men are of special interest for readers of our book because they both came from the upper classes. Kropotkin was a prince; Trotsky's first taste of labor strife was a sit-down strike by workers on his father's farm.

Back to the United States. Douglas Dowd's *The Twisted Dream* is a readable rewriting of American economic history from a radical viewpoint; the historian William Appleman Williams does the same thing for U.S. political and diplomatic history in his many books. Various "revisionist" historians have in recent years taken an important fresh look at America's post-World War II crusade against Communism; the several volumes written or edited by David Horowitz are probably the most accessible to the non-expert reader. However, the best book in that general area is not a work of history but a stunningly beautiful novel, E.L. Doctorow's *The Book of Daniel*, a searching, eloquent book about some of the victims of the anti-Communist hysteria. It is a must for anyone who grew up in those dark years.

More material on the United States and its impact on the rest of the world can be found in the large but browsable anthology, *Up Against the American Myth*, edited by Christoffel, Finkelhor & Gilbarg. This book grew out of a well-known and controversial Harvard course of the late '60s. *Global Reach*, by Richard J. Barnet and Ronald E. Muller is a comprehensive study, first

excerpted in *The New Yorker*, on what U.S.-owned, multinational corporations have done to the Third World. *Food First*, by Frances Moore Lappe and Joseph Collins, probes further on this front, giving a sharp-edged portrayal of how corporations like Del Monte and United Brands are quietly taking over worldwide food production. This book's myth-shattering muckraking is must reading for anyone who still believes that a) the Green Revolution helps small farmers, b) food aid helps the starving, and c) overpopulation causes famines.

Harry Braverman's *Labor and Monopoly Capital*, not remotely as dense as it sounds, is a clear and interesting picture of how modern capitalism has dehumanized people's work lives. Particularly moving is his chapter on the routinization of clerical work. Braverman's book has been very popular in study groups.

Books on contemporary China and Cuba pour forth at such a rapid rate these days that it is hard to make recommendations. But two volumes likely not to become outdated are William Hinton's *Fanshen*, a pivotal book for many readers and a firsthand account of what the Revolution meant to one village in 1948, and *Red Star Over China* by Edgar Snow, the famous account of the Long March and civil war in the 1930's.

Men and women alike these days ought to be familiar with the growing literature of the women's movement. For starters, we recommend browsing in two anthologies, *Sisterhood Is Powerful*, edited by Robin Morgan, and *Women in Sexist Society*, edited by Vivian Gornick and B.K. Moran. Sheila Rowbotham's books, particularly *Women, Resistance & Revolution*, provide a more historical perspective; and Juliet Mitchell's *Women's Estate* is also worth looking at.

Lastly, a few thoughts on books coming out of the environmental movement. E.F. Schumacher's *Small Is Beautiful* is one of the first books to challenge the ideology

of growth and to introduce the concept of appropriate technology. Anthony Sampson's *The Seven Sisters* is an extremely readable portrayal of the major oil companies and what they're trying to do to the world. Finally, we recommend highly two books by Barry Commoner, *The Closing Circle* and *The Poverty of Power*. Commoner is a particularly interesting figure: a long-time leftist with a concern for social justice, he is also a distinguished scientist and professor who was writing about ecology long before it was fashionable. His work combines the two concerns, and he shows vividly how some major problems, like the energy crisis, simply cannot be solved under American capitalism.

Wide World Ph

More than 1000 anti-nuclear demonstrators march toward the Seabrook, New Hampshire nuclear power station construction site in April 1977. The Clamshell Alliance was the first of a growing number of grassroots groups organizing against nuclear power.

Appendix II: A Resource List

The National Alternative Community Foundation Group links a collection of progressive foundations currently operating or just starting throughout the country. The group consists of Vanguard, Haymarket, Liberty Hill, Bread and Roses, and the Fund for Change.

The foundations share a common focus of funding projects which bring working and low-income people together to work for social change. Each incorporates significant community input into the grant making

process. And each benefits significantly from support by socially concerned wealthy individuals.

The Group's primary purpose is to strengthen the existing alternative community foundations across the country and to help develop similar foundations. This is done by joint fundraising, and joint publicity in some instances, and by offering technical assistance, especially to new efforts. Secondly the group will coordinate services to donors around inherited wealth activities, financial issues, and national funding. Thirdly it will strengthen the work of local grantees by helping them link up with similar groups across the country.

Groups similar to the five listed below are in preliminary organizational stages in several different parts of the country. The foundation closest to your area can give you information about them, as well as the names of tax attorneys, accountants, and investment advisors. These foundations can also help you locate activists organizations in your community. All of these foundations publish or will publish Annual Reports, available free upon request.

Bread and Roses Community Fund
1425 Walnut Street
Philadelphia, Pennsylvania 19102
(215) LO3-0636

Fund for Change
1133 Broadway #1427
New York, New York 10010
(212) 924-7660

Haymarket Peoples Fund
120 Boylston Street
Boston, Massachusetts 02116
(617) 661-8558

Liberty Hill Foundation
P.O. Box 1074
Venice, California 90291
(213) 396-8988

Vanguard Public Foundation
4111 24th Street
San Francisco, California 94114
(415) 285-2005

The following have been doing work in alternative philanthropy and may also be able to provide you with information and assistance. Almost all of the groups have been mentioned in the text of this book; all serve as consultants and funding mechanisms for donors who want to get money to social change projects.

Obie Benz
4111 24th Street
San Francisco, California 94114
(415) 285-5797

David Crocker, George Pillsbury
186 Hampshire Street
Cambridge, Massachusetts 02139
(617) 876-0404

Film Fund
80 East 11th Street
New York, New York 10025
(212) 475-3720
Jennifer Lawson, Miles Mogolescu

Film Fund
308 11th Street
San Francisco, California 94103
(415) 552-8830
Barbara Zheutlin

Joint Foundation Support
1 East 53rd Street
New York, New York 10022
(212) 755-6023
Patricia Hewitt

McKenzie River Gathering
454 Willamette Street
Eugene, Oregon 97401
(503) 485-2790
Peter Jensen

McKenzie River Gathering
114 34th Avenue
Seattle, Washington 98122
(206) 323-2880
Gus (Patricia) Jones

Ms. Foundation for Women
370 Lexington Avenue
Room 412
New York, N.Y. 10017
Brenda Brimmer
Rochelle Korman
(212) 689-3475

The Needmor Fund
Commodore Perry, Suite 406
Toledo, Ohio 43603
(419) 244-2981
Leeda Marting

The People's Fund
(215) 563-0636
Mail: P.O. Box 1255
Philadelphia, Pennsylvania 19105
Office: 1427 Walnut Street
Philadelphia, Pennsylvania 19102

Shalan Foundation
2746 Hyde Street
San Francisco, California 94109
(415) 673-8660
Drummond Pike

Stern Fund
Room 1806
21 East 40th Street
New York, New York 10016
(212) 532-0617
David Hunter

Third World Fund
944 Market Street, Room 705
San Francisco, California 94102
(415) 543-0890
Ida Strickland, Belvie Rooks

A Territory Resource
P.O. Box 4081
Seattle, Washington 98104

Youth Project East
1000 Wisconsin Avenue NW
Washington, D.C. 20007
(202) 338-5721
Lenny Conway, Chuck Savitt

Youth Project South
40 Marietta Street
Suite 824
Atlanta, Georgia 30303
(414) 688-0094
Diana Jones-Wilson

Youth Project West
149 Ninth Street
San Francisco, California 94103
(415) 626-5570
Marty Teitel

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"I'll never forget what a thrill it was for me the first time I was in a group of people talking about inherited wealth. There were 10 or 15 of us, and we went around the room, with each person saying where her or his money had come from, and the problems they had had dealing with it. At first it struck me as ludicrously funny, a bit like an Alcoholics Anonymous meeting, where people go around the room introducing themselves: 'I'm Mary, I'm an alcoholic'; 'I'm Joe, I'm an alcoholic,' and so on. But ultimately the whole thing was enormously moving to me—a chance to talk with a whole group of people about a problem which, a few years ago, I never would have thought I'd be able to share with anyone—in fact, I remember being convinced for a long time that I was probably the only person in the country who had both inherited money and some sort of radical politics. Being able to talk about it all with others gave me an incredible charge. I remember the weekend meeting finished up with a big party, and I danced like crazy even though I usually don't dance at all."

TO ORDER ADDITIONAL COPIES OF THIS BOOK:

Tear out this form and mail to: Vanguard Public Foundation
4111 24th Street
San Francisco, CA 94114

Please send _____ copies of *Robin Hood Was Right* ($5 per book; 10 or more copies, $4 per book) in a plain envelope to:

Name _____

Address _____

City _____ State _____ Zip _____

☐ Bill Me ☐ Check enclosed (make checks payable to Vanguard Public Foundation/ Robin Hood Was Right)

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$5.00

"'Change not Charity' is the rallying cry for a growing number of wealthy young people who have chosen a different philanthropic route . . ."

Christian Science Monitor, July 7, 1978

"Those who come into great wealth while still in their twenties not surprisingly often take a radically different attitude toward their riches than those blessed in later life. . . . One solution, devised by young people in Boston, Southern California, and San Francisco, has been to establish foundations that not only foster social change, but avoid the elitist connotations of old-fashioned philanthropy by being partially controlled by the communities they support."

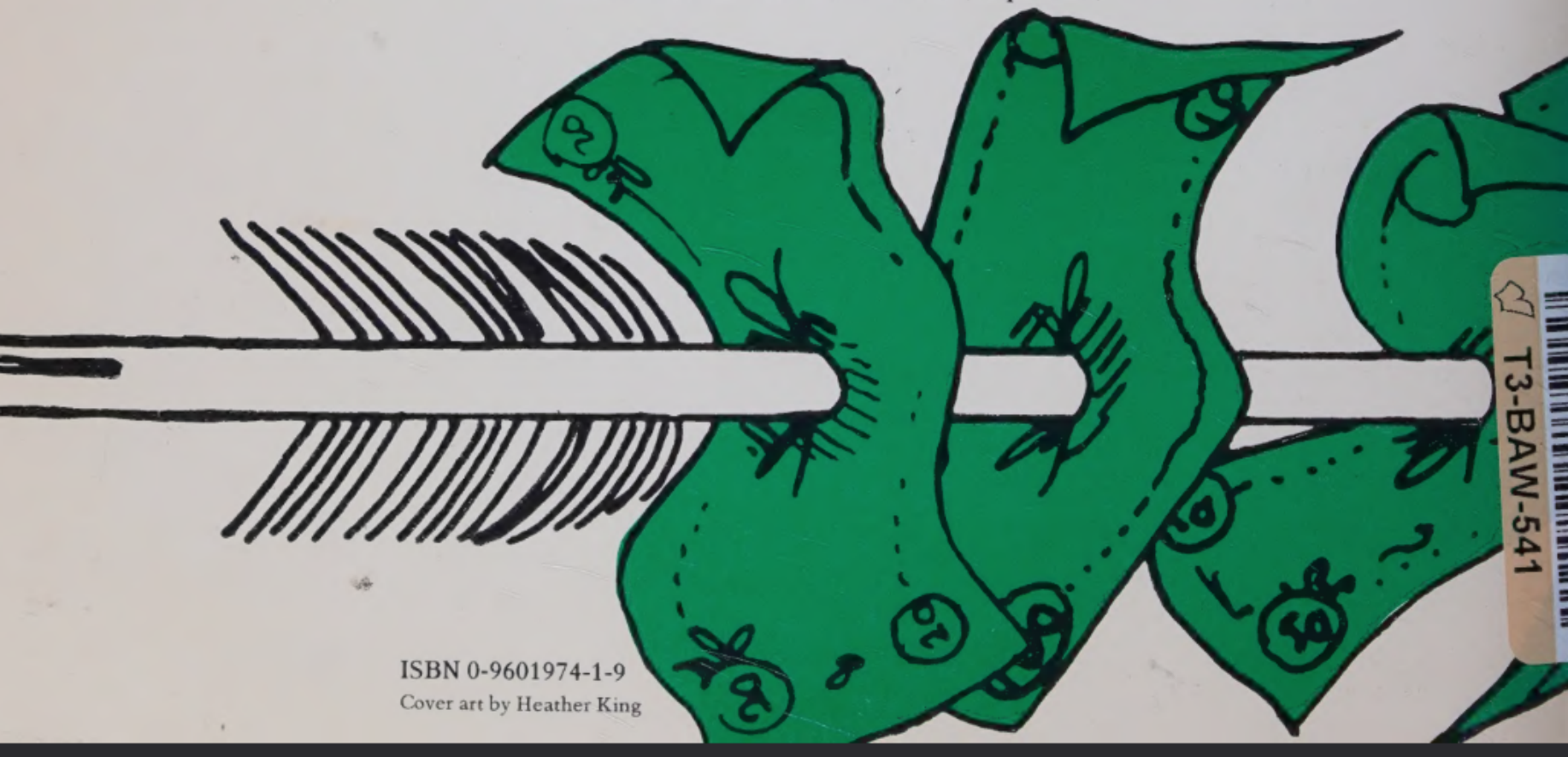
The New York Times, July 23, 1978

"In the world of foundations and private philanthropy, such efforts are drawing increased interest and attention . . ."

Washington Post, May 15, 1978.

"Mr. Gilles [President, John Hay Whitney Foundation] claims that the group's cooperative experiment is the 'first new form of institutional change that foundations have seen in 20 to 30 years'."

International Herald Tribune, April 14, 1976



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